HOUSE OF REPRESENTATIVES—*Wednesday, October 7, 1987*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Teach us, O God, how we can use the talents and gifts that You have given in ways that benefit people in all the walks of life. Remind us that we need not be set aside for special ministry to see the needs of the world and to use the opportunities of our various vocations in ways that heal and help and reconcile. Bless, O God, every person who works to strengthen the bonds that bind us together as one people.

This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

APPOINTMENT AS ADDITIONAL MEMBER OF DELEGATION TO ATTEND CONFERENCE OF THE INTERPARLIAMENTARY UNION

The SPEAKER. Pursuant to the provisions of 22 U.S.C. 276a-1, and without objection, the Chair appoints as an additional member of the delegation to attend the Conference of the Interparliamentary Union to be held in Bangkok, Thailand, on October 12 through October 17, 1987, the following Member on the part of the House:

Mr. DE LUGO of the Virgin Islands.

There was no objection.

MEDICARE SHOULD NOT CURTAIL FACE-TO-FACE HEARINGS

(Mr. KOLTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLTER. Mr. Speaker, I rise today to express opposition to Medicare's recent decision to curtail face-to-face hearings, for people who appeal benefit denials. Under the proposed new system, telephone hearings would be primarily employed, in an effort to make the appeals process more efficient and less costly.

This proposal, however, is riddled with potential problems. Have Medicare officials considered that millions of elderly citizens face the prospect of a denial of due process rights? What sort of credibility determination can an administrative law judge make merely by listening to voices over a telephone, as opposed to personally reviewing witnesses? How will a hearing-impaired elderly claimant effectively communicate by not appearing in person?

This plan may undermine the Administrative Procedure Act of 1946, which provides for in-person hearings before Federal agencies.

I hope that Medicare officials seriously reconsider this step, which could lead to a flood of litigation, and which may only be the beginning of a disastrous course for elderly and disabled applicants.

FAMINE IN ETHIOPIA

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, the scourge of famine is returning to Ethiopia. Our hearts must go out to these wonderful people of a rich culture and an ancient heritage. The Ethiopian Government has asked the West for 950,000 metric tons of food. We will comply in the West as we have in the past.

But this time, unlike in 1984 and 1985, we cannot keep sweeping the truth about this Government under the rug. This Government has the worst human rights record in the world. Name any freedom and it does not exist in Ethiopia.

Yes, we want to help the people of Ethiopia but we do not want to help this cruel, inhumane government.

Therefore, this evening I have asked for a special order to discuss this issue. I have invited the chairman of the Subcommittee on Africa and Human Rights, but I have taken this minute to invite all Members who would like to speak out on this very important issue to be with us this evening.

THE IRREGULAR AND UNETHICAL BEHAVIOR OF DEPUTY ASSISTANT SECRETARY OF COMMERCE ROBERT WATKINS

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, yesterday, several Members of this House, including Congressman SANDER LEVIN, Congresswoman HELEN BENTLEY and myself called for an investigation of the highly irregular and unethical behavior of Deputy Assistant Secretary of Commerce Robert Watkins. He has been one of the key United States trade negotiators in our auto negotiations with Japan over the last year. Based on a letter he sent out September 23, we learned yesterday he was using his position as a trade official with our Government to obtain jobs with Japanese firms.

What has been the administration's response to this despicable behavior? Did they fire him? No, let's call what they did the Peter Principle. They provided Mr. Watkins with a new position in the Commerce Department. Now he'll be working as a member of the staff of Assistant Secretary Charles Cobb in charge of trade development. Who's kidding whom?

I say to the President of the United States. If you can't stand up for the auto workers and auto companies of America in our trade negotiations with Japan, can't you clean up the abuse and double-dealing in your own administration?

UPDATING THE NOTCH ISSUE

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, after hearing a number of colleagues take to the floor last week calling for a massive funding program and others calling for hearings on the Social Security notch issue, I felt it was necessary to clear the air.

Let us face it, we all know better. It is hard to believe that now that we have achieved stability for Social Security for the foreseeable future, some would endanger the well-being of our senior citizen population for flat-out political reasons. We know that vast amounts of money are being collected from seniors who could ill afford it, by the National Committee to Preserve Social Security and Medicare. They raised $40 million last year, up from $26 million in the previous year and $14 million the year before that.

We all know that politicians want to appeal to the large voter population of senior citizens, many of whom are notch age. We all know that notch year retirees, however, are not getting less than they are entitled to. We also know that the so-called notch babies are in a group who are gradually phased out of the overpayments going to retirees immediately preceding them.

In that sense, they receive more than those born after them.

We know that the drain on Social Security reserves would severely damage the ability of Social Security to meet its obligations to seniors. Bills like H.R. 1917 would destroy Social Security. We know that CLAUDE PEPPER, the AARP, two former Social Security Administrators are against, against extending payments as would result from a bill like H.R. 1917.

Rhetoric about H.R. 1917, unfairness, and hearings that somehow might underwrite a financial solution making cash payments to notch babies only makes this situation more difficult and increases expectations that at some point will not be fulfilled.

Let us level with senior citizens about the notch. Let us appreciate it. They deserve it. They appreciate honesty.

THE NOMINATION OF JUDGE BORK

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, yesterday, the Judiciary Committee of the Senate sent Judge Bork's name to the Senate with a negative vote.

Although we in the House have no constitutional role in the appointment of judges to the Supreme Court, I don't think that means we have to keep silent. What is happening to Judge Bork is disgraceful.

In yesterday's Washington Post, columnist David Broder, hardly a Reaganite, decried what he calls "the propaganda torture test" Bork is undergoing at the hands of many of his critics.

His opponents say he is not in the mainstream, that he does not care for individual rights.

But former Supreme Court Chief Justice Warren Burger, former Carter adviser Lloyd Cutler and Attorney General Griffin Bell and other former Attorney Generals all believe Bork should be on the Court.

If Bork is not in the mainstream, as his critics contend, how do they explain support from such diverse and reputable sources?

They can't explain it. But they know they don't have to explain anything. All they have to do in their view, is play the political power game. And thus far they have played it well—and brutally.

I am reminded of several years ago when I trekked across the Capitol to testify before the Senate Committee on the Judiciary in behalf of one of our former colleagues, Ab Mikva, who was up for consideration to the Circuit Court of Appeals, the same court on which Judge Bork serves today.

I testified to his personal character, his honesty, his forthrightness, his reasoning, his academic background, his legal background and his power of reasoning. And that was the important thing. Although we were poles apart in our philosophy on anything we voted on the floor of this House.

Oddly enough, when you compare the voting records on the Circuit Court of Appeals of Ab Mikva and Judge Bork, they have been together 74 percent of the time.

My judgment call was good at that time. I will tell you what happened yesterday on the other side of the Capitol. Frankly there was no victory in yesterday's decision, particularly for those who won by using methods they themselves have decried in the past.

THE ARIAS PEACE PLAN SEEMS TO BE WORKING SO FAR

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOSTMAYER. Mr. Speaker, the Arias peace plan seems to be working, so far. The Sandinistas are complying, not because they are genuine democrats, they are not; but because they know compliance is their only hope of stopping the Contra war.

The Arias plan is now forcing a modest democratic opening in Nicaragua, whether the Sandinistas want it or not. That opening will become increasingly difficult for the Sandinistas to close. If they do, they risk the wrath of President Arias and those Western European social democrats, some of whom have been supporting them.

□ 1015

With increasing Soviet reluctance to fund another Cuba in this hemisphere, that is not something the Sandinistas can afford. They recognize that the resurrection of the Contra war might well receive widespread support in the Congress if they abandon the steps they have already taken.

In light of all of this, Mr. Speaker, President Reagan has now raised the ante by demanding more than Nicaragua's neighbors did in the August 7 accords.

Mr. Speaker, it appears President Reagan is trying to sabotage the peace process in Central America.

I hope that in his address tonight he'll change his tune. I'm prepared to give him the benefit of the doubt.

THE PRESIDENT'S OAS ADDRESS: DRINKING FROM THE COMMON CUP OF PEACE

(Mr. COELHO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COELHO. Mr. Speaker, this summer, President Reagan changed course and joined our Speaker in authoring a peace program for Central America.

As this latest and most prominent convert to the cause of peace addresses the Organization of American States, Mr. Reagan can place the prestige of American foreign policy firmly behind the Guatemalan peace initiative.

Certainly, the President knows how the Arias peace plan fulfills the goals of his policy—by uniting the region against subversion by Nicaragua of its neighbors, and by forcing the Sandinistas to restore freedoms to their people. That's a profreedom, prodemocracy policy for the people of Central America.

And, certainly, the President knows that further requests for Contra aid will scuttle the Guatemalan plan and alienate the United States from our Central American allies.

So, the President stands at a crossroads today. He can help Central and North Americans drink from a common cup of peace or undermine the progress we've made by setting new conditions on the Sandinistas which will effectively scuttle the Arias plan. Let's hope the President is prepared to give peace a chance.

NOTCH

(Mr. WORTLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WORTLEY. Mr. Speaker, I rise today in support of legislation to remedy the notch in the Social Security laws. The problem is 10 years old, and in each Congress since the problem was realized, at least 10 bills have been introduced to correct it.

I am one of several Members who has introduced corrective legislation, but I can't even get a hearing on my legislation let alone get it to the floor of the House for a vote. This should not be a political issue. It is a people issue. This inequity in the law affects all kinds of people from all walks of life. They are rich and poor. They are Democrats and Republicans.

Why then, in this historic 100th Congress, can't this body pass legislation to correct this problem? Almost daily, I receive correspondence from constituents asking why no action has been taken on this issue. They readily point out that we have been quick to pass other legislation that we deem important, but that their situation remains idle.

We owe these people an explanation. The Select Committee on Aging, of which I am a member, has held several hearings focusing attention on this issue. Senior citizens have rallied and

lobbied our offices. Our constituents have written letters and individual Members have introduced legislation. Now it is time for the full House of Representatives to act.

TIME TO END THE WAR AND BEGIN THE PEACE

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONIOR of Michigan. Mr. Speaker, I was pleased to learn that President Reagan has decided to express his support for the Guatemala peace agreement today.

While this is a significant shift from calling the plan fatally flawed, it is clear that the administration unfortunately still has no intention of ending its campaign for $270 million for the Contras. President Reagan cannot run from reality. The time for peace has come. The President must choose between peace or war. He cannot have it both ways.

The task ahead is to obtain achievable cease-fire, and I believe that is indeed possible. Both sides, the Government and the Contras, have agreed to allow the cardinal to negotiate a mutual cease-fire. After that, the task is to go to bilateral negotiations between the United States and the Nicaraguan Government to deal with our mutual security concerns.

Keeping the Contras in place with further aid is not an insurance policy for peace, it is a guarantee for further bloodshed and continuation of the war.

The time has come to end the war and begin a positive plan for peace.

A QUESTION OF FAIRNESS

(Mr. RIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RIDGE. Mr. Speaker, some of our colleagues want hearings on notch year reform. They claim those Social Security recipients born between 1917 and 1921 are being treated unfairly.

If hearings are held, other questions of fairness must be answered as well:

First, is it fair to change the COLA formula for people born in these 5 years and not change it for those born in the 66 years that followed?

Second, is it fair to increase the COLA for those who spent most of their lives paying between 1.5 to 3 percent on a taxable earning base of less than $15,000 and not to increase it for those who are paying more than 7 percent on an earning base in excess of $42,000.

Third, is it fair to talk about significant benefit increases for some and substantial tax increases for others who will not benefit.

A fair hearing can only be accomplished if we examine the total impact of the COLA on all beneficiaries from 1917 through 1987—70 years, not just those born between 1917 and 1921.

INTRODUCTION OF LEGISLATION TO CREATE TAX CREDIT FOR EDUCATIONAL INTEREST

(Mr. DONNELLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DONNELLY. Mr. Speaker, last year's tax reform bill repealed the deduction for personal interest expenses, unless the interest is paid on a debt for a first or second home. One effect of this provision is to deny deductions for interest on student loans unless the taxpayer uses a home equity loan to pay for educational expenses.

Mr. Speaker, that is wrong. The present law works to the disadvantage of students who are in the greatest need of assistance. Unless a student or his parents own a home or can take a home equity loan, they cannot deduct the interest. Millions of poor- and working-class kids whose families do not own homes or cannot afford to borrow against their homes, are put at a great financial disadvantage.

Today I am introducing legislation to correct that problem. My bill creates a tax credit on interest for qualified educational indebtedness for married taxpayers with incomes below $40,000 or a single taxpayer with income below $25,000.

The tax credit would be 15 percent but reduced as the taxpayer's income increased above those dollar amounts.

Mr. Speaker, I intend to pursue this legislation as the Committee on Ways and Means continues to mark up revenue legislation.

I urge my colleagues to cosponsor this legislation which I have filed this morning.

BUDGET REFORM

(Mr. UPTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. UPTON. Mr. Speaker, in a recent editorial in the Wall Street Journal, Congress was described as "a group of people who demonstrate a consistent inability to perform necessary tasks, such as the passage of a Federal budget on time." It is abundantly clear that the Democratic leadership is largely responsible for this sad, but true, characterization of our once distinguished body.

If the Federal Government were a business, it would go bankrupt before you could say the words: "budget deficit." Clearly, our Government has thrown sound business principles out the door and has systematically failed to meet the needs of our country. I can't help but wonder what our forefathers would think if they were here to witness the sorry state of our budgetary affairs.

Simply put, the American people are witnessing a House out of control. The largest contributing factor to this situation is a congressional budget system that is completely out of whack. Because of its lack of enforcement provisions, our budget system allows Members of Congress to take the easy way out. Instead of forcing us to make tough choices to address the deficit, it reinforces our lack of resolve.

To top it off, not in one single instance has Congress met any of the provisions of our own budget act. It's time to finally get our act together and the best way to do that is to adopt the proposals of BOB MICHEL, TRENT LOTT, and the Republican task force on congressional reform. Give us a chance. It may be our last.

SOCIAL SECURITY TRUST FUND MUST NOT BE JEOPARDIZED

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, last week there was a considerable hue and cry that people born during the "notch years" are treated unfairly by Social Security. This is not supported by fact or analysis.

In 1972, in order to protect Social Security recipients against inflation, an automatic cost-of-living adjustment was enacted. Sadly, the formula was flawed. As a result of this error, by 1977 the trust funds were facing bankruptcy. To avoid catastrophe we passed the largest tax increase in peacetime history. We also corrected the flawed COLA formula and reduced benefits for all future retirees to past levels. The only exception was a special transitional rule giving higher benefits to people born during the "notch" years. We tried to help the "notch year babies" by phasing it in. Actually, the "notch year babies" will get higher benefits than those following.

In 1977 everyone regarded this as a fair approach. And little or no complaint about it was raised in 1983 when the Social Security System was again on the brink of bankruptcy. But now that the crisis has passed, we hear cries to give this one group higher benefits.

This would be a mistake. First, even after 5 years of uninterrupted economic growth the trust funds have only a 4-month reserve. And while the short-term projections look good, we ought not to be counting our chickens too early. Second, giving a windfall benefit to those born during the notch years

would immediately create a long-term deficit. This is the worst possible message to send to younger workers who already doubt that the system will benefit them.

To go back to the old formula would cost anywhere from $30 to $80 billion or more. We should not now jeopardize the solvency of the trust funds in order to provide an extra windfall to this select group of retirees. Neither should we raise taxes on today's workers to provide even higher benefits to retirees who are already getting a better deal than almost everyone else.

MR. PRESIDENT, SUPPORT THE ARIAS PEACE PLAN

(Mrs. BOXER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOXER. Mr. Speaker, 2 months ago our Speaker stuck his neck out for peace in Central America.

By vigorously supporting a peace plan with the President, Speaker WRIGHT'S courageous action spurred the Central American nations to a peace plan of their own. I do not believe that this administration understands the deep desire for peace on the part of the Central American people. Too many of them have died. Too many children have been maimed for life. They have been waiting for a peace signal from the United States, and when it went out they all have made major steps toward peace, but the Reagan administration is continually mixing signals, first calling the Arias plan fatally flawed and now today hopefully embracing it. By these actions the President has been a very unsure leader.

I only hope his latest embrace of the Arias peace plan is real and not phony rhetoric. I have cause for concern, however. This memorandum was made public during the Iran Contragate hearing, and in it Poindexter says, and I quote:

> Central America, continue active negotiations but agree on no treaty and agree to work out some way to support the Contras either directly or indirectly, withhold true objectives from staff.

Mr. President, turn your back on this unscrupulous advice, nothing less than innocent children's lives are at stake.

DO NOT DERAIL THE PEACE PROCESS NOW

(Ms. SLAUGHTER of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SLAUGHTER of New York. Mr. Speaker, I wish to point out to my colleagues that the countries of Central America have made more progress toward democratic reforms in the past 2 months than in years of armed conflict. Waging war has only led to the death of thousands, uprooted families from their homes, and caused untold pain and suffering.

With the signing of the Guatemalan agreement in August, the nations of the region began waging peace: Bringing back the independent voice of the newspaper La Prensa, reopening the Catholic radio station, and opening talks between Government and rebel leaders. A year ago—even 3 months ago—this would not have been possible.

When Costa Rican President Arias visited Washington 2 weeks ago, he was asked "What will you do if the peace process fails?" His response, "What will you do if it succeeds?" I would like to pose the same question to my colleagues; "What will we do if it succeeds?" Clearly, it is time for us to work with our neighbors to begin the difficult process of healing and rebuilding.

The progress of the last 2 months is significant, but we still have a long way to go. I was pleased to learn today that the President has decided to back the Guatemalan peace agreement. I hope he will work with us now to help ensure a lasting peace in the region.

There is no reason to derail the peace process now. Further aid to the Contras will not advance the cause of peace.

□ 1030

ADMINISTRATION'S THREAT TO PEACE PLAN

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, it seems we are supposed to believe that the Reagan administration has had a change of heart about peace in Central America. After first calling the Guatemalan accord "fatally flawed," we are told that President Reagan now intends to express his support for the Guatemalan plan.

Whatever its motives for this new more conciliatory approach, we welcome the administration's change of heart. However, if President Reagan is truly sincere about supporting peace, then the administration should not request an additonal $270 million in military aid for the Contras, which it still says it intends to do before November 7.

The administration argues that continuing aid to the Contras will act as "an insurance policy" for democratic change in Nicaragua. This is utter nonsense. The civil war that the Reagan administration has funded for the past 5 years has brought only increased repression and misery to the people of Nicaragua.

The largest threat to the peace plan is the administration's continued support for the Contra terrorists. President Reagan, if you truly want to support peace, no more aid to the Contras. Give peace a chance.

SOCIAL SECURITY SYSTEM IS FAIR TO "NOTCH BABIES"

(Mr. JACOBS asked and was given permission to address the House for 1 minute.)

Mr. JACOBS. Mr. Speaker, there is probably no greater rage in human emotion than the perception that one is being treated unfairly, and that perception has been engendered among the people in the so-called notch years of the Social Security System.

It was started by, I believe, a column by a lovelorn lady with thoroughly inaccurate information.

The unvarnished truth is that those of you who are in the notch years are only being treated unfairly in the sense that you are being given greater benefits than those who will follow the notch years.

There was an error in the formula for the cost of living put in in 1972, and by the end of that decade, inflation had been overstated by 30 percent; that is to say, the Social Security people were being paid 30 percent more in real dollars than they were in 1972.

That happened at the same time the people still in the work force saw the purchasing power of their earnings fall 10 percent. That could not go on.

The adjustment was made, and what you have to understand is, those born especially between 1910 and 1916, the Social Security System is more than fair to them and less than fair to the taxpayers.

For the people in the notch years, the Social Security System is, in fact, more than fair to notch people and less than fair to the taxpayers.

Beyond the notch years, the Social Security System becomes fair, if you accept the basic premise that you should be able to buy the same number of beans with your benefits today that you bought in 1972.

I believe you will find on examination that that is clearly the truth.

ADMINISTRATION WANTS PEACE PLAN

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, I have listened carefully to some of the speeches this morning given by the left with regard to the situation in Nicaragua.

On one hand, we have the left claiming on the floor that there is a situation in Nicaragua where the Commie

tyrants down there are obviously not democrats and where they have been brought to the bargaining table largely by the Contra activities there.

On the other hand, we have the left then coming to the floor and suggesting to the Members that the way in which we ought to have the peace process go forward is to make certain we cut off all aid to folks who have brought the Commies to the table. You cannot have it both ways.

If in fact the Contras have been a factor in bringing the Commies to a negotiating posture in Nicaragua, should not the pressure stay? That is the point of this administration.

We want to go ahead with the peace plan. We want the Sandinista Communists to do their job toward implementing that peace plan, but there has to be pressure internally upon them. The Contras are one part of that pressure, not the only part, but one part of the pressure.

The left cannot have it both ways. You cannot cut off pressure and expect the Sandinista tyrants to continue their movements toward reform.

FEDERAL TRADE COMMISSION ACT AMENDMENTS OF 1987

Mr. WHEAT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 279 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 279

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2897) to amend the Federal Trade Commission Act to extend the authorization of appropriations in such Act, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and which shall not exceed two hours, with one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce, and with one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Energy and Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered by titles instead of by sections, and each title shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendment as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. JACOBS). The gentleman from Missouri [Mr. WHEAT] is recognized for 1 hour.

Mr. WHEAT. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Missouri [Mr. TAYLOR], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 279 is an open rule providing for the consideration of H.R. 2897, the Federal Trade Commission Act Amendments of 1987. The resolution provides for 2 hours of general debate. One hour of debate time is to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce. The remaining hour is to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation.

The rule makes in order the amendment in the nature of a substitute recommended by the Committee on Energy and Commerce and now printed in the bill as original text for the purpose of amendment under the 5-minute rule. The resolution further provides that the substitute shall be read for amendment by titles instead of by sections and that each title shall be considered as read.

Finally, Mr. Speaker, the rule provides for one motion to recommit, with or without instructions.

H.R. 2897, authorizes $140.7 million for programs and activities under the jurisdiction of the Federal Trade Commission for fiscal years 1988 and 1989. In addition, H.R. 2897 includes provisions which limit the Commission's authority to intervene in certain State, local, and Federal activities; exempt Federal credit unions from regulation; continue the prohibition against conducting studies of agriculture cooperatives; authorize joint jurisdiction between the FTC and DOT over deceptive advertising and consumer protection complaints involving domestic and foreign air carriers and initiate several agency studies including a study on MediGap insurance and the life care home industry.

Mr. Speaker, the programs and activities of the FTC significantly affect the lives of millions of Americans. The authorizations contained in H.R. 2897 are needed in order that the agency can fulfill its obligations to the citizens of this country. Therefore, I urge that we adopt the rule so that we may proceed to consideration of this measure.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 279 is an open rule under which the House will consider legislation that would shift Federal regulatory authority over airline advertising from the Department of Transportation to the Federal Trade Commission.

The issue contained in H.R. 2897 is quite controversial, and this rule sets the stage for a jurisdictional argument between two House committees, the likes of which the House has not seen since the Legislative Reorganization Act of 1974 was adopted.

The Committee on Energy and Commerce proposes, in the bill it reported, to make a substantive change in law by giving the Federal Trade Commission powers it does not currently have.

The Committee on Public Works and Transportation reported the bill with an amendment striking the Energy and Commerce idea, thereby leaving Federal regulation of airline industry business practices in the Department of Transportation.

Mr. Speaker, the bill reported by the Committee on Energy and Commerce has the practical effect of taking a bite out of the legislative jurisdiction of the Committee on Public Works and Transportation. It may be only a little nibble, but it should not be allowed to take place in this manner.

The Committee on Energy and Commerce does not have jurisdiction to report legislation dealing directly with airline industry advertising. The bill made in order by this rule, H.R. 2897, approaches the issue indirectly, by amending the Federal Trade Commission Act.

In order to gain a share of legislative jurisdiction, the Committee on Energy and Commerce seeks to expand the legal powers of the Federal Trade Commission.

Mr. Speaker, on Wall Street this might be described as an unfriendly takeover.

Mr. Speaker, I do not believe the Committee on Rules should have reported this rule.

The ranking Republican member of the Committee on Rules, the gentleman from Tennessee [Mr. QUILLEN], and the chairman of the Committee on Rules, the gentleman from Florida [Mr. PEPPER], said during our hearing last week that they did not believe we should report this rule.

Since title II of H.R. 2987 proposes a substantive change in law and gives the Federal Trade Commission powers it does not currently have, I believe the Committee on Energy and Commerce should have been required to offer their proposal on the floor as an amendment.

Under this rule, however, they will not have to do that. The Rules of the House give the Energy and Commerce Committee the ability to report a bill expanding the powers of the Federal Trade Commission. They have done

so, and it is clearly within their legislative jurisdiction to do so.

The effect of this rule is to require the Committee on Public Works and Transportation to offer an amendment striking the language reported by the Committee on Energy and Commerce in order to retain their legislative jurisdiction and in order to retain within the Department of Transportation the regulatory authority over airline advertising.

It should be the other way around, but it is not.

Mr. Speaker, since this in an open rule the House will at least have the opportunity to make a choice.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WHEAT. Mr. Speaker, I have no further requests for time. While the issue involved in the legislation itself may be controversial, the rule gives every opportunity to debate those controversies on the floor.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 279 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2897.

□ 1043

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2897) to amend the Federal Trade Commission Act to extend the authorization of appropriations in such Act, and for other purposes, with Mr. KOSTMAYER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Ohio [Mr. THOMAS A. LUKEN] will be recognized for 30 minutes, the gentleman from Kansas [Mr. WHITTAKER] will be recognized for 30 minutes, the gentleman from California [Mr. MINETA] will be recognized for 30 minutes, and the gentleman from Arkansas [Mr. HAMMERSCHMIDT] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. THOMAS A. LUKEN].

Mr. THOMAS A. LUKEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the last FTC reauthorization bill was enacted in 1980 and expired at the end of fiscal year 1982. Since that time the FTC has had to operate without any authorization of appropriations and has been funded only through continuing appropriations. It is essential that Congress act to authorize the Commission in order to give it some guidance and policy direction.

H.R. 2897 authorizes appropriations for the Commission of $69,850,000 for fiscal year 1988, $70,850,000 for fiscal year 1989 and $71,850,000 for fiscal year 1990. This is the amount requested by the FTC.

The committee has continued to aggressively monitor Commission activities through the hearing process. We have identified areas of activity that require legislative remedy and have included several provisions in the bill to provide direction to the FTC. As a result, we included amendments to the act that would limit the Commission's authority to invalidate certain State laws that constitute "State action" under the Sherman Act; provide that FTC rules do not become effective until they are submitted to Congress for 90 days, and would become final if Congress does not disapprove them by joint resolution, prohibit the Commission from conducting any study or prosecution of agricultural cooperatives for conduct permitted by the Capper-Volstead Act; and exempt Federal credit unions from regulation in the same manner as other financial institutions.

We have also acted to establish guidelines for the FTC in instances in which it intervenes in local, State, or Federal proceedings. The committee found that although the FTC can be effective in these interventions, there was little administrative control over staff activities and no clear threshold as to when the staff would need to obtain the Commission's permission for such interventions.

H.R. 2897 requires the FTC to conduct several important studies including Medigap sales to the elderly; the life care home industry; and the high cost of property and casualty insurance.

In addition to these provisions, the bill gives the Commission authority to prevent air carriers from using unfair or deceptive acts or practices and mandates that the FTC promulgate a rule requiring very specific information be included in airline advertising including a "full, conspicuous, and understandable" disclosure of any limitations on a particular fare.

Our Subcommittee on Transportation, Tourism, and Hazardous Materials has been investigating unfair and deceptive airline practices and at a hearing confirmed what many of us have heard from our constituents and experienced ourselves. The carriers will not guarantee that a specific number of seats on any particular flight will be available at the advertised discount. In fact, during a break in the hearing one of our subcommittee members, Mr. SIKORSKI, attempted unsuccessfully to obtain a reservation for a flight at a discount that was currently being advertised, even though he requested a flight on a day that an airline witness said was a light travel day.

In recent years the number of complaints made by consumers to the Department of Transportation and to the airlines themselves have increased dramatically. But the hapless consumer cannot turn to the agency that has the mission to assure fair competition and to protect consumers from marketplace abuses. Regulation is left to the Department of Transportation, which has seen fit to assign 12 employees to handle the more than 19,000 complaints the DOT has received so far this year.

The scandalous conduct of some airlines should be regulated by the FTC just like other businesses. It is the Government agency with the experience and the expertise of 500 employees who handle consumer matters. I urge you to support our bill and strike a blow for the American consumer.

□ 1045

Mr. WHITTAKER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 2897, the Federal Trade Commission Act Amendments of 1987.

The Federal Trade Commission has not been reauthorized in roughly 5 years. Although the Energy and Commerce Committee has continued to aggressively monitor the Commission's activities, 5 years is far too long for the Commission to have operated without statutory guidelines.

H.R. 2897 would reauthorize the Commission until 1990. It also includes a number of substantive changes—as well as technical amendments—to the Federal Trade Commission Act that are necessary for the Commission's effective and efficient operation.

For example, the bill contains a provision that would establish guidelines for the Commission's intervention program. The basis of the intervention program has been the very broad authority given in the Federal Trade Commission Act, which does not include any guildelines for the operation of the program. The intervention program was the subject of intense examination during our subcommittee hearings. Concerns were raised about:

First, the appropriateness of Federal involvement in State and local proceedings; and

Second, the manner in which the Commission conducts its intervention program.

The committee does not disapprove in principle to the Commission's intervening on behalf of consumers in local, State, or other Federal matters. However, objections have been raised when

those activities interfere with the Commission's law enforcement and regulatory responsibilities. There are further objections to the Commission's present manner of conducting the program. The committee's hearings and subsequent investigation led to the conclusion that there is a need to define the form and function of the intervention program and to keep the Congress better informed.

Section 107 of H.R. 2897 places guidelines on the intervention program without placing overwhelming restrictions on that program. Under H.R. 2897, the intervention program will have a more organized approach that will allow the Commission to conduct its responsibilities more effectively and efficiently.

Other provisions of H.R. 2897 codify certain practices of the Commission to examine certain areas within its jurisdiction, and direct the Commission to prevent air carriers from using unfair or deceptive acts or practices. Although this bill is not devoid of controversy, a number of the issues that have stalemated legislation reauthorizing the Federal Trade Commission in the past have been reconciled or resolved through means other than legislation.

In conclusion, I am optimistic that we will be able to send FTC reauthorization legislation to the President before the end of this Congress.

Mr. THOMAS A. LUKEN. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. WYDEN], who is the author of the legislation which contains the substance of the provisions on airline advertising.

Mr. WYDEN. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, no matter how false or outrageously distorted the claim about airline service may be, the Department of Transportation has simply been unwilling to intervene on behalf of the consumer.

Now, the Department of Transportation has something that they call the Consumer Affairs Division, but I would suggest that we rename it the Consumer Neglect Division, because right now they are sitting on their hands when it comes to resolving the concerns of airline consumers in this country.

Now, the Department of Transportation has only 12 professional staff members devoted to airline consumer issues and whether it is lost luggage or canceled flights or advertisements, it just seems that when it comes to protecting the consumer, the consumer is in a regulatory twilight zone, because the Department of Transportation is not willing to step in and go to bat for the consumer and resolve those hassles.

Now, by contrast, the Bureau of Consumer Protection at the Federal Trade Commission has a staff of over 500 personnel, including lawyers, economists, and consumer affairs specialists. That would give us a chance to set in place a real watchdog that would protect the consumers' interests and not a sleeping dog, as we have now.

Mr. Chairman, when I introduced legislation with the chairman of the subcommittee [Mr. THOMAS A. LUKEN] to transfer jurisdiction over airline advertising, we said then that it was clear that there finally ought to be one place in Government that would help consumers. Today, we have a chance to establish an office where the consumer would finally have a voice when they are being ripped off by false advertising. That kind of protection is long overdue.

Mr. Chairman, I urge my colleagues to support this legislation and I thank the gentleman from Ohio for the chance to work with him on it.

Mr. WHITTAKER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York [Mr. LENT], the ranking minority member of the full committee.

Mr. LENT. Mr. Chairman, I rise in support of the legislation we are considering which will reauthorize the Federal Trade Commission. H.R. 2897 is bipartisan legislation that will provide the Commission with the legislative direction that is needed for the coordinated and consistent administration of the Commission's responsibilities. I want to commend the gentleman from Kansas [Mr. WHITTAKER], the ranking member of the Energy and Commerce Committee and the gentleman from Ohio [THOMAS A. LUKEN], the chairman, for their leadership in bringing this to the floor.

The Federal Trade Commission Improvement Act of 1980 was the last time the Commission was authorized by Congress. That authorization expired at the end of fiscal year 1982. Although bills were reported by the Energy and Commerce Committee during both the 98th and 99th Congresses, and passed by the House, they were never enacted into law.

The Senate passed legislation to reauthorize the Federal Trade Commission earlier this session. With the passage of H.R. 2897 by the House today, I am optimistic that the Congress will send legislation to the President this Congress.

Now, Mr. Chairman, I would like to direct my comments to a provision in the legislation which has raised undue controversy—that is the provision that provides the Federal Trade Commission with the authority to regulate airline advertising.

Airline carriers are presently exempt from regulation by the Federal Trade Commission. Years ago, instead of giving the Commission the authority to regulate unfair and deceptive practices by airlines, Congress chose to provide the Department of Transportation with that authority.

When Congress made this decision it was persuaded by the arguments that regulation of the airlines should not be divided among several agencies. It was argued that such a division of responsibilities would cause confusion. It is questionable why that argument prevailed, since many practices regulated by the Commission are also regulated by other agencies. Just to provide two examples: The U.S. Department of Agriculture has concurrent jurisdiction with the FTC over certain commodities; and the Bureau of Alcohol, Tobacco and Firearms shares jurisdiction with the FTC over alcohol advertising and labeling.

It is now quite clear that Congress' decision to exempt airlines from FTC regulation has resulted in unfair and deceptive practices by airlines and little, if any, consumer protection. Consumer complaints are raising daily. A single airline stated earlier this year that it receives approximately 9,500 complaints a month.

Something must be done to correct this situation. On Monday the House passed legislation directing the Department of Transportation to address these problems. This is a step in the right direction. But how effective will it really be? The fact is that the Department of Transportation simply does not have the infrastructure to address the problem. The Department has 12 full-time employees and 9 employees who spend one-third of their time on consumer protection issues. The purpose of the Federal Trade Commission, on the other hand, is to protect consumers and the Commission has the expertise and the staff to do just that.

Therefore, the legislation we are considering today would authorize the Commission to regulate unfair and deceptive practices by airlines. It would not take any authority away from the Department of Transportation. This should not be controversial. It simply directs two agencies to work together to protect airline passengers. This is not unlike the Federal Trade Commission's relationship with other agencies.

I anticipate that an amendment will be offered later today to strike this provision. I will oppose any such amendment and I urge my colleagues to oppose that amendment too. The taxpayers are entitled to have the expertise of all the Federal agencies available to them. H.R. 2897 simply authorizes the Federal Trade Commission to use its expertise, along with the Department of Transportation, to protect consumers.

□ 1100

Mr. THOMAS A. LUKEN. Mr. Chairman, I yield 2 minutes to the

gentleman from Minnesota [Mr. SIKORSKI].

Mr. SIKORSKI. Mr. Chairman, the single biggest consumer hook in booking a flight is price. We know that from the Department of Transportation's figures: 90 percent of all flights are purchased on a discount basis. And the single most effective way of setting the hook in the consumer's mouth is advertising. We have all seen the ads that tell us we can fly to some faraway or nearby, exotic or not so exotic, city at an incredible price. Yet it is only when our constituents, customers, call in response to one of these come-ons, that they are told, "Sorry, those seats are sold out"; "sorry, no spaces available," "sorry, the only space that is available is if you leave on a Wednesday afternoon, stay for 2 weeks, are left handed and come back at 2 in the morning—then you can qualify for that low fare."

This is the type of advertisement that prevailed under the Department of Transportation's notion of consumer protection. The airlines remain free to play this bait-and-switch routine, get the customer on the phone, into the reservations lines and hooked into a trip and at a higher fare.

The Subcommittee on Transportation held a hearing in May of this year to investigate the complaints we have heard. We heard firsthand accounts of fraud, misrepresentation, misleading and deceptive advertising by the airlines.

One airline representative, to his great credit, came to our hearing and proudly played a videotape of an ad that was currently running in the Washington market for a low supersaver or maxisaver fare. He assured us that we could make a reservation at this low fare. I took the challenge. During a break in the hearing I went to the phone, got the reservation lines and the woman there was very cordial, very courteous, very nice. But I could not get a booking.

To give the airline the benefit of the doubt, I asked the airline representative what day of the week would be the best time to book. He said Tuesday, Wednesday, or Thursday and stay away from Memorial week. I did that. Every low fare on every flight on all 3 days were full. So much for my super maxisaver.

It's time that we put an end to the airline industry's deceptive advertising practices. It's time that we require full, conspicuous and understandable disclosure in airline ads. It's time that we give the job of consumer protection to an agency that is capable. Title II of the FTC Reauthorization Act will do so.

Mr. WHITTAKER. Mr. Chairman, I reserve the balance of our time.

Mr. THOMAS A. LUKEN. Mr. Chairman, I reserve the balance of our time.

The CHAIRMAN. The gentleman from California [Mr. MINETA] is recognized for 30 minutes.

Mr. MINETA. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from New Jersey [Mr. HOWARD], chairman of the full Committee on Public Works and Transportation.

Mr. HOWARD. Mr. Chairman, the Committee on Public Works and Transportation received a sequential referral of H.R. 2897 and the committee voted unanimously to strike title II. Under the rule approved by the House, the gentleman from California, Mr. MINETA, will be offering an amendment for the House to adopt the committee's position and strike title II.

It is the position of our committee that there is no support on the merits for this proposal to take the jurisdiction over airline advertising and deceptive practices from the Department of Transportation to give it to the Federal Trade Commission. Since there is no basis on the merits, it is clear that this title is a ploy to obtain even more jurisdiction for the Committee on Energy and Commerce.

The issue is clear. The proposed change will have an adverse effect on aviation safety and on passenger protection. It is strongly opposed by the executive branch. Above all, the FTC has demonstrated over a period of years that it is not the agency to handle this additional authority. We should not entrust the fate of the Nation's 450 million airline passengers to an agency that has indicated an inability to protect consumers from deceptive or unfair practices in other areas of business.

As recently as 5 days ago, the FTC, in an official position statement, said that DOT is doing the job of monitoring and correcting questionable advertising. The Commission itself saw no reason for the National Association of Attorneys General to develop guidelines on airline advertising because DOT is doing the job.

In that statement, the FTC provided revealing insights into the agency that the supporters of title II want protecting consumers. The FTC Chairman, Donald Oliver, and the Commission express repeated concern about consumers receiving too much information. Chairman Oliver expresses the concern that State guidelines on advertising would "bury consumers in unnecessary disclosures."

It is the position of the Committee on Public Works and Transportation that consumers should receive information. We want consumers to be able to make informed choices about airline service, to know which airlines provide the best service and to have appropriate remedies if they do not receive proper service.

Under title II of this bill, the recourse of airline passengers with complaints about service would be fragmented between FTC and DOT. That concern has been expressed by the Office of Management and Budget which has threatened a veto on that issue. That is the concern of the Department of Transportation which said, "given the aggravation currently being experienced by air travelers, now is not the time to experiment with new arrangements."

Title II is not the way to provide protection to airline passengers. Splitting the jurisdiction between FTC and DOT, with FTC having absolutely no experience with aviation issues, is not the way to protect airline passengers. If anything, this measure will make it more difficult for passengers to get information and to obtain remedies.

The House has already approved two measures which provide needed assistance for passengers. H.R. 2310 reauthorized the airport and airway trust fund for 5 years, authorizing $28.5 billion for expanded capacity and reliability of the aviation system. H.R. 3051, the Airline Passenger Protection Act, which was approved only 2 days ago, directed airlines to provide detailed information to DOT and passengers on monthly performance, directs DOT to provide that information to passengers and to establish a toll-free telephone line to receive complaints. Passengers would be protected from economic cancellations, baggage losses, and delays.

These two bills should be allowed to work before we make additional major changes. These bills have not even been enacted but title II of this bill would overhaul the entire enforcement system.

In dealing with aviation, safety must be our primary concern. Title II of this bill would dismantle the comprehensive, unified regulatory framework that has been created in the Department of Transportation. DOT, with its overall focus, has the ability to give primary consideration to safety while at the same time considering airline service and deceptive practices. FTC, with no experience in aviation, would be unable to consider safety. There is great concern in the aviation field about what kinds of statistics should be reported and their relation to safety. A new, inexperienced agency would not improve this situation at all. In fact, the new player in the game might cause on-time performance to be emphasized over safety concerns. That is not a risk this body should be willing to take.

I hope my colleagues understand that there is no basis on the merits for title II. The issue is the performance of the Nation's airlines and the safety of airline passengers. It is a jurisdictional dispute that has raised this

issue that threatens the aviation system. Title II has been placed in the bill as a backdoor means of regaining jurisdiction for the Committee on Energy and Commerce that was lost in committee reorganization in 1974 by an overwhelming vote of the House. The Commerce Committee has never given up that dream of regaining aviation. They haven't been able to do it through the House rules so they have decided on this bootstrap method.

The House rules give the Committee on Public Works and Transportation jurisdiction over all civil aviation. The Committee on Energy and Commerce has used the flimsy pretext of jurisdiction over "consumers" as the means for this power grab. It is unreasonable and unsupportable to assert that authority over consumers extends to airline practices.

The Committee on Energy and Commerce is using as a vehicle for this an agency that even its own members have questioned. The committee chairman, the gentleman from Michigan, in a hearing called solely for the purpose of examining the FTC's record on deceptive practices, is the very issue involved in title II, said the FTC policy statement on deception "does not inspire confidence in the motives of those who prepared it. It is an attempt to rewrite a 45-year history of law enforcement." He described their position as the "idle tinkering of academics" which threatened the balance of power in the marketplace.

The National Association of Attorneys General, the organization of State Attorneys General, said just 8 months ago, "The Commission chose to alter well developed legal standards for proving deception and thereby made fraudulent schemes more difficult to stop. This alteration confused the law, downplayed the plight of consumers and moved the law closer to caveat emptor."

This is the agency that the Committee on Energy and Commerce now wants to protect airline passengers. It is a Commission that a former Chairman has described as applying budget cuts "to remove the muscle of the Commission's law enforcement capacity." It is a Commission that has only 18 lawyers to handle all advertising cases in all businesses. Aviation issues would be thrown in with the rest of the pile rather than being given top priority as in the Department of Transportation.

That would be the effect of title II. It would fragment the regulatory framework, it would jeopardize aviation safety and it would harm consumers. This body should continue to support the aviation legislation that it has already passed and not make these unnecessary and harmful changes. We should not sacrifice airline passengers to an evergrowing demand by the Committee on Energy and Commerce for more jurisdiction.

□ 1115

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, 3 years ago Congress considered the Civil Aeronautics Board Sunset Act. One of the questions we faced then was whether the CAB's airline passenger protection authority should transfer to the Department of Transportation [DOT] or the Federal Trade Commission [FTC]. At that time, we decided that DOT was in a better position to exercise this authority. Therefore, the legislation passed by Congress and signed by the President transferred passenger protection authority from CAB to DOT.

Now, with this bill (H.R. 2897), the Commerce Committee is trying to raise the same issue all over again. Their version would transfer this passenger protection authority from DOT to FTC. DOT and FTC would, under this bill, have concurrent jurisdiction over unfair and deceptive practices by airlines. I do not think that this is the proper way to go. At the appropriate time, I plan to support an amendment to strike the aviation portion of this bill.

For now, let me just say that transferring the jurisdiction to FTC would not solve the problems we have with airline service. Simply moving the authority around from one agency to another does not, by itself, address the needs of passengers.

I am also concerned that by giving FTC some authority in the aviation area, we will be creating a web of overlapping regulation that will be hard to untangle. There is the potential for conflicting rules that would create confusion for both airlines and airline passengers.

There are several other factors that Members should consider when this amendment comes up.

The Director of the Office of Managmeent and Budget [OMB] has stated that he would recommend a veto of this bill if the aviation portion is not removed. He says it "would inappropriately fragment regulation of air carriers' advertising and consumer protection practices * * *."

The House has already addressed airline service problems in a tough comprehensive passenger protection bill (H.R. 3051) passed last Monday. This bill would, except for the transfer of jurisdiction, be merely redundant.

While the FTC may have more employees handling consumer protection generally, DOT has more that handle airline passenger problems specifically. The FTC's lack of knowledge in the aviation area could cause them to unknowingly create more problems, or even safety hazards, in our Nation's aviation system.

Finally, we strongly object to attempts by other committees to legislate so-called solutions to problems not under their jurisdiction. I hope this body will support our efforts to stop these time consuming jurisdictional raids which serve no purpose.

Mr. MINETA. Mr. Chairman, I yield 4 minutes to our distinguished colleague, the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, one of the big problems that we see here in Washington, and I think if we really tell it like it is, is that too often even Federal agencies and bureaucrats not only do not communicate, many times they openly compete. The taxpayers' dollars are fragmented and spent over many jurisdictional areas. These bureaucrats sit down and they continue to fight for turf.

Now today we are discussing a measure that would take all of the jurisdiction over the aviation industry that now rests with the Department of Transportation, and taking one part of it and putting it under the Federal Trade Commission as this bill would mandate.

Let us take a look at that. No. 1, the most important part of it that I see is that the FTC has stated in the past that they see no need for action relative to airline fare advertising at all.

Second of all, they see no need for any review of frequent flyer programs or addressing any problems therein. They said they are not concerned and do not see a real problem with overbooking compensation policies.

What the Federal Trade Commission is saying is, we do not see a problem.

Last week we passed a bill to direct the feet of the Department of Transportation to correct many of the problems that exist in the airline aviation industry. Now we are talking about doing something today which is to get more people, more hands into the soup and the people that we want to put in are saying they do not even see a problem.

Let us get on with it. This is a turf fight. This is as much a turf fight in Congress as it is a turf fight for consumers. Let us take that consumer language out of here. About the only thing we will end up with is agencies fighting each other, two big agencies split up over jurisdiction, and the end result will be the consumer will get screwed, again.

Specifically, I see many of the members of the Committee on Energy and Commerce saying that they are unsatisfied with the Federal Trade Commission. They have publicly criticized it. Now we are going to go ahead and let them handle this delicate matter.

I say let us forget it. This President's policies and this administration's policy as deals with aviation have been on a crash course from day one. Today

we compound it by further aggravating that scenario.

I say today we vote for the Mineta amendment. We send a message to the bureaucrats that we want them to start talking, not competing, and we do not make the soil fertile for infighting and competition among these agencies. We set up clear jurisdictional structure to make sure the consumer cannot be parlayed with one administrator against another.

That is what we are talking about today. I do not want any problems with the Committee on Energy and Commerce, it has one of the greatest chairmen that we have, and it is a great committee, but today we make a mistake if we fracture jurisdiction and the mistake will hit the consumer more than anyone else in America. I think it is time we stop screwing consumers around here, and we start telling it like it is and we should be coming out with legislation to make these administrators start talking to each other and quit competing.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. STANGELAND], a member of the committee.

Mr. STANGELAND. Mr. Chairman, I rise to address provisions in H.R. 2897, the Federal Trade Commission Act Amendments of 1987.

This legislation was reported by the Energy and Commerce Committee and then referred to the Public Works and Transportation Committee for consideration of title II. These provisions give the Federal Trade Commission concurrent jurisdiction with the Department of Transportation over unfair and deceptive acts or practices by domestic and foreign air carriers. Specifically, the bill directs the FTC and DOT to work out a written agreement which gives the FTC sole responsibility for regulating airline advertising. The agreement would also have to include language carving out new jurisdictional boundaries of the two agencies over other airline consumer protection issues.

After reviewing title II, the Committee on Public Works and Transportation concluded that DOT—rather then the FTC—should continue to be responsible for protecting airline consumers. I agree whole-heartedly. Like the committee, the administration and others, I believe concurrent authority to the FTC would create a confusing overlap in jurisdiction and deteriorate current consumer protection efforts.

Everyone recognizes that airline passenger service is not as good as it should be and that DOT should improve its efforts. But Mr. Chairman, the answer is not to strip DOT of its authority and establish a confusing new regulatory scheme involving the FTC. Existing problems with airline advertising can be addressed through tougher DOT regulations and complementary efforts by the States. A transfer to FTC would be a counterproductive, fragmented approach.

Mr. Chairman, the House just passed H.R. 3051 which directs DOT—not the FTC—to improve airline service, including problems associated with deceptive advertising. This is the approach to take. We don't need a Federal regulatory program in which agencies have piecemeal jurisdiction over various areas. We need one strong, centralized program instead.

For all of these reasons, Mr. Chairman, I urge my colleagues to follow the approach of the Public Works Committee and to support the deletion of title II.

Mr. MINETA. Mr. Chairman, I yield myself such time as I may consume.

Mr. MINETA. Mr. Chairman, I rise to express my strong opposition to title II of the bill reported by the Energy and Commerce Committee. Title II would have the effect of transferring jurisdiction over unfair and deceptive practices by airlines from the Department of Transportation to the Federal Trade Commission. The effect of this change would be to give the Committee on Energy and Commerce jurisdiction over an important area of civil aviation. This would reverse the decision which was made in 1974 to transfer jurisdiction over civil aviation from the Committee on Energy and Commerce to the Committee on Public Works and Transportation.

This proposal for a change in jurisdiction over airline advertising is based on the widespread public concern over the recent deterioration in airline service. The Committee on Public Works and Transportation shares this concern. We have been working all year on legislation to deal with the problem and the House within the last week passed two major bills reported by our committee to improve airline service.

Last week the House, by a unanimous vote of 396 to 0, passed our bill to reauthorize the airport and airway trust fund. This bill will make $28 billion available over 5 years to modernize the air traffic control system and improve our airports. With this increased capacity, there should be reductions in the delays and missed connections which have plagued the airlines in recent years.

Earlier this week, the House passed, by voice vote, our committee's consumer protection legislation for airline passengers. This legislation takes a variety of steps to improve airline service, including: Monthly reports on airline service; a prohibition on the cancellation of scheduled flights for any reason other than safety; compensation to passengers for lost or delayed baggage; a requirement that the Department of Transportation establish and enforce capacity limits at the Nation's 41 largest airports; a requirement that the Department of Transportation establish and enforce performance standards for connections at airline hubs; and a requirement that the airlines and the Department of Transportation establish toll-free telephone lines for consumer complaints.

I strongly believe that these two bills will go a long way toward improving airline service. We are committed to continued oversight and to further legislation if it is required. I strongly believe that this type of legislation is the best way to improve airline service. Service will not be improved by legislation which brings new committees into the act and which creates undesirable and unecessary splits in authority between executive branch agencies.

Turning to the merits of the Energy and Commerce bill, there is no reason to believe that the Federal Trade Commission would do an effective job in regulating airline advertising and deceptive practices. The FTC has not been fulfilling its responsibilities to regulate advertising and deceptive practices in other industries. As is detailed in our committee report, FTC inaction has been widely criticized by a variety of persons, including State consumer protection officials, and representatives of consumer groups. Similar sentiments have been expressed by our colleague Congressman FLORIO, chairman of the Subcommittee on Commerce, Consumer Protection, and Competitiveness of the Committee on Energy and Commerce. Congressman FLORIO stated in an Extension of Remarks on February 5, 1986, that:

> One of the saddest aspects of the Washington scene in recent years has been the failure of Federal agencies to enforce the law . . . A good example of this is the backlash arising from the Federal Trade Commission's relaxed approach to advertising abuses. State and private litigants have moved into the enforcement void because the enforcement breakdown in Washington cannot and will not quell the public's demand for action to restrict abuse.

Since the FTC has not been fulfilling its responsibilities for other industries, the agency cannot be expected to vigorously regulate airline advertising. Indeed, a recent press release indicates that FTC has already made up its mind that there is no need for strong regulation of airline advertising. In the release FTC is quoted as opposing airline advertising guidelines proposed by the National Association of Attorneys General, on the grounds that "The proposed guidelines would * * * bury consumers in disclosure." These comments suggest that FTC would be less than vigorous in regulating airline advertising.

Even if FTC would regulate airline advertising effectively, it would be impractical to give FTC this authority. The Department of Transportation authority's over consumer deception is only one part of a comprehensive reg-

ulatory scheme for aviation administered by the Department. This system cannot be divided without impairing its overall effectiveness.

For example, when DOT regulates airline advertising, DOT must be certain that the regulations do not adversely affect safety for which DOT is also responsible. If DOT establishes rules requiring airlines to meet their advertised schedule times, DOT must be certain that these regulations do not place undue pressure on the airlines to operate flights in unsafe conditions.

Similarly, DOT's regulation of advertising for airline charters is part of a comprehensive regulatory scheme under which DOT also regulates the authority of charter operators to change itineraries, the rights of passenagers to obtain refunds, and the obligation of charter operators to maintain escrow accounts and performance bonds to ensure that sufficient funds are available for refunds. Advertising cannot be separated out of this regulatory system without creating confusion and less protection for consumers.

The need to have a single agency regulate all aspects of aviation has been fully recognized by the Office of Management and Budget and the Department of Transportation. On October 5, OMB issued a statement of policy that it would recommend a veto of H.R. 2897 unless it was amended to delete title II. In OMB's words, title II "would inappropriately fragment regulation of air carriers' advertising and consumer protection between the Department of Transportation and the FTC." The Department of Transportation has taken a similar position in a letter of October 6 opposing H.R. 2897.

The problem of fragmented responsibility was the main reason the Congress decided in the Civil Aeronautics Board Sunset Act of 1984 that authority over unfair and deceptive practices should be exercised by the Department of Transportation rather than a Federal Trade Commission.

In conclusion, Mr. Chairman, the bill reported by the Committee on Energy and Commerce would make major changes in a comprehensive regulatory system which Congress specifically refused to change only 3 years ago. Because the Energy and Commerce Committee bill would make major changes in the regulatory system governing civil aviation, the bill was sequentially referred to the Committee on Public Works and Transportation. We reported the bill with an amendment to delete title II, the title transferring jurisdicition over airline advertising and deceptive practices from DOT to FTC. When the bill is open for amendment, I will be offering an amendment to support the recommendations of the Committee on Public Works and Transportation to delete title II from the bill.

□ 1130

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. PACKARD].

Mr. PACKARD. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, since 1974 the committees were reorganized and since that time, Congress has seen fit to keep the jurisdiction of airline consumer protection issues and airline safety issues within the Committee on Public Works and Transportation.

There is no compelling reason to make a change at this time. In fact, the Subcommittee on Aviation of the Committee on Public Works and Transportation has done a remarkable job. They have been very responsive and responsible to the concerns of the riding public.

They have quickly and effectively responded to their concerns. We have passed several consumer protection and airline safety issues, and certainly there is no reason to assume that they will not continue to address this very important issue effectively as they have in the past.

I support the motion to strike the language that would transfer authority over advertising and deceptive practices from the DOT to the FTC. There is simply no good reason to make this change. The facts do not justify the change.

There is no evidence that the FTC will do a better job. It is highly possible that they will not be as effective as DOT. Scattering authority over aviation issues into several agencies is not the best way to manage a very complicated process.

The DOT is not a perfect organization; but nevertheless, it is not in the best interest to take jurisdiction from them and force a marriage with another agency that simply would not work.

I strongly urge the Members to support the motion to strike and to keep the jurisdictional lines as they are now existing.

Mr. MINETA. Mr. Chairman, I have no other requests for time, and I reserve the balance of my time.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. LIGHTFOOT], a member of the committee.

Mr. LIGHTFOOT. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I want to express my objection to H.R. 2897 because of my concern over title II, which splits the jurisdiction over airline consumer protection issues between the Department of Transportation [DOT]—where sole authority now rests—and the Federal Trade Commission.

I can understand the concerns of the authors of this bill with regard to deceptive advertising. However, I believe the approach this bill takes is neither the most appropriate nor the most effective way of dealing with the problems we face in this area.

The primary problem with splitting up this authority is that regulation of deceptive advertising is only one component of a comprehensive regulatory process for the commercial airlines. The airline industry is unique in that it is a safety-critical industry. Almost any airline consumer problem—including the cancellation of advertised flights—is either directly or indirectly related to safety. We must keep in mind that the Department of Transportation, in regulating unfair and deceptive advertising practices, must have as its primary consideration the relationship between airline advertising practices and aviation safety. A forceful approach by the DOT can create pressures for airlines to not go ahead with flights that should have been stopped for safety reasons.

Mr. Chairman, because of our heightened concern over airline consumer protection issues, we appear in this bill to be frantically grasping for a way to address the problems. However, we simply cannot start distributing the various components of airline regulation around to the various Federal agencies that might conceivably have a role in it. The result will be a disjointed approach with no sense of direction, leaving us worse off than we already are.

The Department of Transportation, and before it the Civil Aeronautics Board, has already ruled that it is deceptive advertising for an airline to fail to operate scheduled service offered through published schedules and advertising, which violates section 411 of the Federal Aviation Act. Also, the DOT already addresses deceptive advertising cases on a case-by-case basis which has worked relatively well up to this point. If we need to increase our efforts in this area, I suggest we work with the DOT and provide it with the resources it needs to enable it to better address deceptive advertising problems without sacrificing safety in the process. I therefore urge my colleagues to support the Mineta amendment to H.R. 2897, because this very definitely is a safety issue, and the DOT is the one agency that has the expertise to handle it properly.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma [Mr. INHOFE], a member of the committee.

Mr. INHOFE. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong opposition to title II of this bill, and I urge my colleagues' support for Chairman MINETA's amendment to strike this title.

Regulatory authority over airline advertising and deceptive acts is tied closely to safety issues and should remain within the same agency; namely, the Department of Transportation. The Energy and Commerce Committee's proposal to transfer regulation of unfair or deceptive acts to the Federal Trade Commission would result in fragmentation, confusion, and harm to airline passengers. It would also be a direct contradiction of earlier congressional judgments that all matters dealing with aviation should rest within one agency and one committee.

In fact, what has not been brought out during the course of this discussion is that there is a movement to even make it more specialized and maybe put it in an agency all of its own, and certainly a movement in the other direction is not a wise thing.

Besides the potential negative impact on safety and passenger interests, we must consider whether this shift in jurisdiction would even be effective in achieving its sponsors' stated goals.

DOT is capable and experienced in dealing with the airlines. It just needed to be prodded to take action, which the Public Works and Transportation Committee has done.

The FTC, on the other hand, has no experience in dealing with the airlines or the safety considerations that affect their actions.

The gentleman from California [Mr. MINETA] was right, but perhaps the gentleman was a little bit too charitable. In fact, the Committee on Energy and Commerce has been very critical of the FTC's effectiveness in regulating the advertising currently within its jurisdiction, so it is hard to see why they would want to pile more on their plate.

There is a lot of frustration out there with airline service and restrictions on low-fare tickets. Some of the most frequent flyers are right here in Congress, and we certainly don't like to be inconvenienced. The Public Works and Transportation Committee took action to address these concerns when we reported out and then passed H.R. 3051, the Airline Passenger Protection Act of 1987, which requires the airlines and DOT to step up effort to address passenger concerns.

Given the current situation and past history, I find it hard to believe that the true intent of title II is to improve regulation of airline advertising. FTC actions and statements don't give any indication that that would be the result.

As a result, the only conclusion that I can draw is that this is an effort by the Energy and Commerce Committee to gain jurisdiction over the airlines, thereby impinging on the jurisdiction of the Public Works and Transportation Committee. The last subsection of title II clearly supports this conclusion when it directs the FTC and the Secretary of Transportation to reach an understanding on the FTC's role and submit that understanding to the Committee on Energy and Commerce.

Title II of the FTC bill is an obvious jurisdictional grab by the Energy and Commerce Committee. It is unwarranted and unwise, and it should be deleted.

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Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. BALLENGER].

Mr. BALLENGER. Mr. Chairman, I thank the gentleman from Arkansas for yielding time to me, and I rise in strong support of the amendment offered today to strike title II from the Federal Trade Commission [FTC] reauthorization bill.

I can understand Members' frustrations with the problems now plaguing the air travel industry. This is one of those issues that has been brought to our attention not only by those we represent, but also by our firsthand experiences as frequent flyers.

I do not doubt the good intentions of my colleagues on the Energy and Commerce Committee in seeking stepped up Federal monitoring of unfair and deceptive practices by the airlines. Nonetheless, I oppose the manner in which they seek to address this issue. Creating concurrent jurisdiction between the FTC and the Department of Transportation [DOT] over airline advertising and deceptive practices would only cause jurisdictional confusion. Simply adding additional bureaucratic involvement in consumer protection does not guarantee more effective enforcement of airline abuses. I envision the two agencies exerting more effort monitoring the regulatory actions of each other, instead of the industry.

In my limited experience as a member of the Committee on Public Works and Transportation, I have been convinced that the regulation of air travel is inextricably linked to safety. The Federal Aviation Act specifically charges DOT to consider "the assignment and maintenance of safety as the highest priority in air commerce." If, for instance, an airline cancels a flight, DOT first determines the reason. Was the flight canceled because the plane or conditions were not travel worthy, or because there were too few passengers to make the run profitable for the airline? The latter reason constitutes the basis for a deceptive advertising practice. The language in this bill transfers authority over deceptive advertising to the FTC, while leaving DOT with sole authority over issues related to airline safety. How will the two agencies communicate over single instances like the one I just related?

The bill is also worded in such a way that FTC authority could be interpreted to cover other aspects of airline operations such as flight scheduling, giving them the ability to prescribe punitive action against an airline for failing to meet a published departure or arrival time. With the threat of sanctions the FTC may provide airlines the incentive to operate on schedule even though it may not be safe to do so.

Just this week this body approved H.R. 3051, put forth by the Committee on Public Works and Transportation in response to public concern over the deterioration of airline service. Among other things, the bill would require that air carrier advertising disclose all restrictions associated with a discount fare. It would also address the problems of unrealistic flight scheduling and cancellation of flights for reasons other than safety. This legislation is the proper means by which to beef up enforcement of unfair and deceptive practices by the airlines.

The administration opposes the transfer of any authority over aviation from DOT to the FTC. I urge you to do the same, and vote in favor of striking title II.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. SUNDQUIST], a member of the committee.

Mr. SUNDQUIST. Mr. Chairman, I rise in strong opposition to title II of this bill and I support the amendment that would strike title II.

The attempt of the Energy and Commerce Committee to transfer authority on airline advertising, I think, is an unwise and unsafe decision.

This body just made great progress in ensuring safe and reliable air transportation by passing H.R. 3051 on Monday. It would be a great contradiction now to transfer the authority we mandated on Monday to an entirely different agency of the Federal Government.

We made very important progress on Monday to strengthen and improve our Nation's air transport system. Supporting this amendment to strike the transfer language will keep that progress intact. I submit to my colleagues that you cannot have supported H.R. 3051 and now vote against the Mineta amendment that would strike this section. It would be a direct contradiction.

By transferring authority for airline advertising and deceptive practices, we would be creating fragmented and additional bureaucracy. It is a proven fact that fragmentation within the Federal Government leads to ineffectiveness. We cannot risk losing any additional effectiveness in air safety. Clearly, the FTC is not equipped to handle the safety questions of aviation.

There is no reason to accept the transfer proposed by Energy and Commerce. There is no evidence to suggest DOT is not doing a proper job in this area, and there is no evidence to prove that FTC is better equipped or better able to handle this important safety policy issue, and there is evidence to suggest that the FTC is not always doing the best job in the areas that they are already handling.

Mr. Chairman, I encourage my colleagues who supported the Airline Passenger Protection Act to remain consistent. And I encourage all my colleagues to ensure safety in air travel by supporting the amendment to strike title II.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. CLINGER], a member of the committee.

Mr. CLINGER. Mr. Chairman, I also rise in strong support of the amendment.

Mr. Chairman, the debate about Federal enforcement against deceptive airline advertising should not focus so much on which Federal agency can do a better job. Rather, we should look at the broader picture of the resources we in Congress provide the executive branch to police unfair and deceptive advertising practices.

The bill under consideration proposes shifting Federal responsibility for regulating airline advertising, suggesting that the Federal Government's regulation of advertising has not been effective. I agree with that assumption, and I feel certain most Members would agree as well.

But in seeking a solution, I believe that we, as policymakers, are taking the wrong path by parceling enforcement powers among two distinct Federal entities. The proper step, in my opinion, is to keep the enforcement authority consolidated within one agency, as it is now, and give that agency greater resources to carry out its mission.

Earlier this week the House passed H.R. 3051 under suspensions. This bill imposes new reporting requirements on air carriers and gives the Department of Transportation new regulatory and penalty authorities that will largely focus on the very same issues being addressed in title II of this bill.

H.R. 3051 requires carriers to make available its on-time performance record, frequency of flight cancellations, and it provides airline passengers recourse in the event of bumping, delayed flights, and lost baggage. It also addresses abuses now prevalent in the computer reservation industry. The reporting provisions in this bill are not optional; airlines are required to make this information available in a timely manner. Should they fail to do so, or should they falsify their performance, they can face a penalty of up to $10,000.

I have no doubt that once the provisions of this bill are fully implemented we'll see a tremendous reduction in the degree of misleading advertising practiced today.

Indeed, once fully implemented, H.R. 3051 should have the effect of negating any need for overt Federal policing of advertising policies. Why? Because for the first time, airlines will be required to make public their performance statistics. For the first time, consumers can make an educated choice about which carrier to use. The lure of empty promises so popular today will be diminished in the face of actual performance.

Carriers can still post all the glittery, eye-catching ads they choose, but they cannot avoid publishing their actual performance data as well.

In the face of this legislation, it is my fear that H.R. 2897—despite its obvious good intentions—will work to undermine these improvements. H.R. 2897 will begin the bureaucratic nightmare of forcing one agency to negotiate away a portion of its enforcement authority to another Federal agency. Does anyone honestly think such a scheme will foster real improvements? I think not.

In my opinion, neither the Department of Transportation nor the Federal Trade Commission are effective consumer enforcement agencies. Whether you agree or not, I do believe you'll agree that dividing a common industry abuse between them will not work to anyone's advantage, except, perhaps, to the advantage of the industry we're trying to police.

If you sincerely wish to curtail deceptive advertising practices, support the Mineta amendment. To do otherwise only creates mayhem among the agencies, confusion among the consumers, and comfort among the carriers.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. DENNY SMITH].

Mr. DENNY SMITH. Mr. Chairman, at the appropriate time I will vote in favor of the Public Works and Transportation Committee amendment to strike the language in this bill that transfers authority over airline advertising and deceptive practices to the FTC.

The plan to transfer authority is not in the best interests of airline passengers.

To begin with, I have seen no convincing evidence to lead me to the conclusion that the FTC is in any way better equipped than DOT to deal with deceptive advertising practices on the part of the airlines. If anything, transferring authority to the FTC will only add another layer of bureaucracy to an already elaborate process.

Also, we just passed a bill that will adequately address these problems, and DOT has already moved on the problem with a rulemaking of their own. If Congress or DOT had any way displayed indifference toward the airline industry's problems, there might be precedent for granting authority to the FTC. But that just isn't the case.

Some have claimed that the DOT has only 12 employees on staff devoted to airline consumer protection, and that this fact justifies moving authority to FTC.

Well, I did some checking, and it turns out that at the FTC there are only 18 people on staff who handle all deceptive advertising practices in all industries. These people would have to add authority over the airlines to their many other duties.

In addition, the staff at DOT is essentially the old CAB, which was integrated into DOT intact. Together, they represent a tremendous amount of experience in dealing with the airline industry, and they also understand the evolution of the industry.

As a former commercial airline pilot, I can tell you that such expertise helps immeasurably. I don't see any reason to transfer authority from the experts to the amateurs who already have more than enough to keep them busy.

Finally, I am confused by this proposed division of labor because it erroneously simplifies a very complex problem. Deceptive scheduling is only a symptom of the much deeper capacity problem. It is dangerous to isolate a single problem without understanding its function in the big picture. DOT is the agency with the big-picture view, just as the Aviation Subcommittee is the committee with the big-picture view in Congress.

Why open this can of worms when we don't need to. It doesn't make sense. I urge my colleagues to vote in favor of the amendment to strike title II.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia [Mr. GINGRICH], the ranking member of the Aviation Subcommittee of the Committee on Public Works and Transportation.

Mr. GINGRICH. Mr. Chairman, I just rise to say that I strongly oppose title II of this bill. It strikes me that title II is very well-meaning, that title II reflects accurately the frustration of many people with the process of change we are going through of deregulation and that those who created title II intend only the best for the consumer; however, I think that in their efforts they misunderstand the nature of the problems in the airline industry and they misunderstand the intricacies of the system with which they are meddling.

If all we were concerned about, if all this said was that the Federal Trade

Commission will look at newspaper advertising and the Federal Trade Commission will be concerned only about the accuracy of newspaper advertising, then I would be in favor of title II, but that is not what it says.

This opens up two very serious problems which I think every Member of the House who cares about the efficiency of the Government and every Member of the House who cares about airline safety should look at very carefully.

First of all, it says that if you are an airline and if you are concerned about serving the public, it is no longer going to be enough to either deal with the Department of Transportation or with the Federal Aviation Administration, you also are now going to start dealing with the Federal Trade Commission. The Federal Trade Commission is going to hire a number of people to set up what I assume will be a new branch, the branch making sure that we safeguard aviation consumers. That new branch will end up asking questions. It will have very well-meaning lawyers hired by the FTC who will start saying, "Why did you say this in this particular ad?" Or, "Why did you do this in this particular television commercial?"

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Why is there a change, for example, in scheduling? The airline will then begin to explain, and I think this goes to the heart of what is wrong with title II, that scheduling is important in advertising, but it is vital in safety, that if there is a mechanical problem, for example, if there is a safety problem, if the air traffic control system has had a computer malfunction, and everyone who has flown out of National has had the experience often of being told we could not quite leave on time because for 1 hour and 15 minutes the air traffic control system of the United States stopped us from being on schedule. At the present time one agency and only one agency, the Department of Transportation, reviews the entire system which affects the consumer of aviation travel. That agency, the Department of Transportation, looks at how good your mechanics are, they look at how good your airplane is, they look at how safe your operation is, they make sure your pilots are qualified, they ensure that the air traffic control system is running, and that agency in a tradition which I believes goes back to 1930 when the original Civil Aeronautics Board was given authority over advertising as relates to airlines, because this Congress has felt for over half a century that air traffic safety is integral to advertising, and that the same people who make sure we are safe should look at exactly how we travel.

Mr. THOMAS A. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I am glad to yield to my good friend, the gentleman from Ohio.

Mr. THOMAS A. LUKEN. Mr. Chairman, the gentleman indicated, interesting enough, and I agree with him, that the FTC should have jurisdiction over newspaper advertising, and since newspaper advertising is the principal medium of airline advertising, I think the bill provides, the Energy and Commerce Committee bill, provides within 180 days of enactment of FTC and the Secretary of Transportation shall enter into a written understanding which defines the role of the Commission, I think under our bill we could do exactly what the gentleman suggests.

Mr. GINGRICH. Let me say to the distinguished chairman of the subcommittee he has just made my point. He will find in total volume of dollars spent television advertising is a larger component than newspaper advertising. The gentleman will find that in fact there are all sorts of intricate forms of advertising, including frequent flyer mailings, travel agent arrangements, tour advertising, and the gentleman has just made my point.

If this were a simple issue and what the gentleman just said was accurate, I would have no objection. In fact, technically I think my colleague will find, for example, for a major airline in total volume of advertising dollars, more in spent on television than is spent on newspapers.

Mr. THOMAS A. LUKEN. Will the gentleman yield again briefly?

Mr. GINGRICH. I am glad to yield to the gentleman from Ohio.

Mr. THOMAS A. LUKEN. Whether the gentleman from Georgia is correct or I am correct as to where more of the advertising is, the point is that it leaves it to the agencies to sit down and define it.

Mr. GINGRICH. Apparently I was not clear. If I thought that the Federal Trade Commission could accurately deal with only that component with which the Federal Trade Commission is comfortable and secure and knowledgeable, I would vote for the bill as the gentleman has written it. But as he just made the point in his own testimony, it is more complicated than it looks on the surface.

Let me make this very, very clear. I do not want some airline executive under pressure from some lawyer at the Federal Trade Commission deciding to make a scheduling decision which involves the safety of those passengers because a pair of bureaucrats wrote a faultily written memorandum between the Department of Transportation and the Federal Trade Commission.

We just passed on Monday a very powerful and tough consumer protection bill for aviation travel which most of the airlines do not like, which is much tougher than they wanted. What I am saying to the House is simply for over 50 years those Democrats and Republicans in the Congress have assigned air safety and airline advertising to the same agency because they understand that they are related. And for over 50 years the position has been clear, that if we care about safety we want the Department of Transportation or its predecessor, the Civil Aeronautics Board, to be dealing with this issue. That has been a long-term, consistent behavior since before I was born.

What I am suggesting is that this House on Monday adopted a bill which clearly states that. This House on Monday took very strong measures in the right direction. And for us to do two things that make no sense, first of all to duplicate who is in charge, to add a whole new layer of bureaucracy that the airlines have to deal with, thereby costing the airlines additional moneys; and, second, to split the function so that the most safety related travel industry in America, the only industry where you run a real risk of dying if the government messes up badly enough, it just seems to me this is a very foolish decision, and I would strongly urge my colleagues to vote for the amendment.

Mr. MINETA. Mr. Chairman, I yield 2 minutes to our very fine colleague, the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Mr. Chairman, I rise in strong support of the Mineta amendment which would delete title II of H.R. 2897, the Federal Trade Commission Act Amendments of 1987. The amendment is identical to one unanimously approved by the Public Works and Transportation Committee when this legislation was before that committee and deserves the full support of the House.

As it now stands, title II of the bill would give the Federal Trade Commission concurrent jurisdiction with the Department of Transportation over unfair and deceptive practices by domestic and foreign airlines. I believe that such an arrangement would create a confusing overlap in jurisdiction which would result in less—not more—protection for consumers.

Additionally, the ability of DOT to carry out its other regulatory responsibilities would be impaired in view of the fact that its authority over deceptive acts and practices is an integral part of a complex regulatory system for aviation. Splitting jurisdiction could have a serious impact on aviation safety because the FTC has had no experience in these matters while DOT has the ability to assess both safety and deceptive practices in a unified manner, with safety being of paramount importance.

Like most of us here, I am not satisfied with the manner in which DOT currently administers its responsibilities in these areas. I am extremely concerned about the deterioration of airline service and the blatant abuse of consumers by the airlines. However, I believe that these problems are adequately addressed by legislation which passed the House earlier this week, H.R. 3051. That bill directs DOT to take a variety of steps to ensure protection of consumers. Included are requirements that airline advertising must include disclosures of restrictions on the availability of discount fares and of other restrictions pertaining to fares. The bill also mandates that information on airline performance be available to passengers. Other provisions are designed to reduce flight delays resulting from overscheduling, to address the problem of missed connections at airline hubs, to ensure improved baggage service and to halt the cancellation of flights for economic reasons.

Finally, in view of the fact that the FTC does not adequately carry out its current responsibilities to regulate advertising, I can see no rationale in giving the agency additional responsibilities. Further, the FTC itself took an official position this week, stating that advertising guidelines would inhibit "effective price competition among airlines." The FTC further stated that "DOT already monitors and corrects questionable advertising." Clearly, this is not an agency equipped or willing to handle additional authority.

Again, I strongly support the Mineta amendment and urge its adoption by the House.

Mr. MINETA. Mr. Chairman, I yield 3 minutes to our very fine colleague and a very effective and active member of our Subcommittee on Aviation, the gentleman from Georgia [Mr. ROWLAND].

Mr. ROWLAND of Georgia. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong opposition to title II of this bill. Many reasons suggest themselves, such as the confusion consumers would suffer, the difficulty in drawing the line between unfair advertising and safety precautions regarding cancelled flights, or the fact that this matter was deliberately transferred to the Department of Transportation at the sunsetting of the Civil Aeronautics Board in 1984 and not to the Federal Trade Commission.

To me, the most persuasive argument is the fact that any efforts the FTC could make would be as an apprentice. It would be on-the-job training as the agency itself is likely to go through a general housecleaning. Mark Silbergeld, director, Washington Office of Consumers Union suggested that the "shortcomings should be the subject of a separate oversight hearing once—the FTC—has been reauthorized." Our colleagues in the other body intend such action at the earliest date.

So we are faced with giving the agency a job to do and then waiting a couple of years until the problems in the agency are identified and ways to deal with them implemented. Then, perhaps, the agency will work on the airline consumer problems.

Why should we waste this time when the House has already approved two major bills designed to address these problems immediately. The reauthorization of the airport and airway trust fund will provide improved facilities and personnel for alleviating airport congestion and flight delays. The Airline Passenger Protection Act requires public disclosure of airline performance, sets penalties for various consumer problems, provides DOT review of airline schedules and yet maintains adequate DOT regulation of vital safety issues.

DOT has this authority and mandate now. Diluting responsibility and accountability for airline consumer problems will only delay solving the problem if, indeed, it doesn't derail our efforts altogether. Even the organizations which support FTC jurisdiction state, "there is a justifiable lack of confidence in the * * * FTC * * *" and suggest that it is "understaffed, underfunded, * * * and not doing its job on anything—especially deceptive advertising."

Vote to delete title II.

The CHAIRMAN. All time for the Committee on Public Works and Transportation has expired.

The gentleman from Kansas [Mr. WHITTAKER] has 22 minutes remaining and the gentleman from Ohio [Mr. THOMAS A. LUKEN] has 17 minutes remaining.

Mr. WHITTAKER. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. BARTON], a member of the committee.

Mr. BARTON of Texas. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, we are engaged here in a dialog about results. The U.S. public, the American public, the flying public, does not care what executive agency has jurisdiction, they do not care what congressional committee has jurisdiction. They want results. They are confused, they are concerned, they are fed up with the deceptive practices of the airline industry, the deceptive advertising practices and they want something done about it.

There obviously is a problem. Others more eloquent than I will explain that problem. But the fact is there is a problem.

Is the current designee responsible for regulating these deceptive practices doing an adequate job? The answer to that is no, they are not.

Why? First, they have 12 people, 12 people, a dozen. Jesus Christ had 12 disciples, but the folks over at the Department of Transportation are not the original 12 disciples, and they flat cannot do the job.

Second, it is not their main area of responsibility. My distinguished colleague from Georgia, Mr. GINGRICH, talked about since 1930 the Civil Aeronautics Board had been given this responsibility for regulation of all types of things with regard to the airline industry. That is true, but in 1930 rates were regulated. They did not need anybody to review these rates because there was no deceptive advertising because the rates were the same. The fares were the same. Today that is not the case.

Is there a reasonable alternative to the Department of Transportation and the folks in the Department of Transportation who are involved in this area? The answer is yes: The Federal Trade Commission. That is their primary responsibility, reviewing and regulating deceptive advertising practices and things of that sort.

The Department of Transportation itself has agreed that maybe the Federal Trade Commission is the place that needs to do this. The Federal Trade Commission has indicated that they are willing to assume this responsibility. They have adequate resources, they have an existing bureau, which is called the Bureau of Consumer Protection.

If we were to move this requirement into that bureau there would be automatically a 400-percent increase in resources available to deal with the problem of deceptive airline advertising practices.

So when we get to the amendment to delete title II of H.R. 2897, I am going to vote against that amendment. I think the American public wants results. If we keep title II in, the American people have an enhanced probability of getting the results.

So I hope we remember the bottom line is results. Let us vote to keep title II in the bill.

Mr. THOMAS A. LUKEN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BRYANT].

Mr. BRYANT. Mr. Chairman, I think it is very important today that the dual jurisdiction argument being presented by members of the Public Works and Transportation Committee be recognized as a grand red herring, which is what it is.

The purpose of H.R. 2897 is to remove an exemption enjoyed by the airlines that is not enjoyed by virtually anyone else in American industry. The fact of the matter is today that

the drawing of a line between regulation of safety on the one hand and the regulation of deceptive trade practices on the other hand and advertising on the other hand is a line that is drawn throughout all of American industry.

The Food and Drug Administration regulates safety of food and drugs, but the Federal Trade Commission regulates trade practices and advertising. The Consumer Product Safety Commission regulates consumer product safety, but the Federal Trade Commission regulates trade practices and advertising. The National Highway Traffic Safety Administration regulates auto safety, but the Federal Trade Commission regulates trade practices and advertising.

And the Bureau of Alcohol, Tobacco and Fire Arms regulates safety with regard to those products, yet the FTC regulates trade practices and advertising.

Under H.R. 2897, we would simply remove the exemption that the airline industry enjoyed while it was regulated as it no longer is and begin to treat it like we treat every other industry in America today.

The fact is that we should not be confused today by this dual jurisdiction argument. It simply does not hold water. The committee bill would remove an exemption enjoyed only by the airline industry and it also would specifically direct the FTC to issue a rule requiring a full conspicuous and understandable disclosure of limitations they may place on the availability of fares. Even if the Department of Transportation had the rule to regulate in this area, which it has demonstrated that it does not have, it does not have the capacity to do so. The Federal Trade Commission does have that capacity. It is time for us to give it to them in order to protect the consumers on the services that are sold by the airlines today.

Mr. THOMAS A. LUKEN. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALGREN].

Mr. WALGREN. Mr. Chairman, I urge support for H.R. 2897 to reauthorize the Federal Trade Commission, the Federal agency with basic responsibility for consumer protection.

First, I want to join the chairman of the Energy and Commerce Committee, Mr. DINGELL, and the subcommittee chairman, Mr. THOMAS A. LUKEN, in support of the provisions of this bill that would give the Federal Trade Commission the authority to prevent airlines from using unfair or deceptive practices. The bill would require the FTC to define unfair or deceptive practices in airline advertising and would prohibit advertising that does not include a full, conspicuous, and understandable disclosure of the limitations applicable to the availability of tickets, fares or other aspects of service.

In recent years, complaints about airline scheduling, ticketing, advertising, and performance have proliferated. Hearings before the Subcommittee on Transportation brought out the widespread inconvenience among the public. Our committee heard stories of overbooking, failure to compensate for last-minute bumping or cancellations, and simple, bald bait-and-switch advertising where super-cut-rate fares are widely promoted, but when the consumers try to buy a ticket they find limited seats and all kinds of exclusive restrictions tied to the cheap fare.

We all welcome stiff competition in the airline industry and are pleased that under deregulation, some fares have been reduced. The bill before us today does not prohibit airlines from offering deals. What it requires is full, fair, and open advertising of terms and conditions of fares.

Under current law, the airline industry is specifically exempted from FTC consumer protection activities. These functions were transferred to the Department of Transportation under the airline deregulation law, but when it comes to advertising, the DOT has done virtually nothing.

The Federal Trade Commission is the Federal agency with a background and mission to protect consumers from misleading advertising. Misleading advertising is not the fundamental concern of the Department of Transportation. We have afforded consumers protection by the FTC in everything from used cars to funerals. There is no reason airline transactions should not be treated the same.

Second, I want to underscore the provision directing the Federal Trade Commission to conduct a study of unfair and deceptive practices in the life-care industry.

This is a provision I have been particularly concerned with. By incorporating specific language in the Federal Trade Commission authorization bill, the committee gives specific direction to the FTC to examine an area where attention is long overdue—housing and health care for the elderly. The bill before us recognizes that the purchase of health care and housing by the elderly is one of great and unique magnitude.

Life care, also known as continuing care, is a contractual arrangement under which a person usually pays an entry fee—on average $40,000—and a monthly fee—$300 to $1,200—in exchange for living quarters, health care, and other services for the duration of one's life. In a life-care community, residents receive housing, meals, services such as cleaning, recreation, and health care, including nursing home care. For those who can afford it, it offers a very comforting living arrangement for one's "golden years."

NEED FOR STUDY

The committee decided that a study is warranted for several reasons. The individuals involved are probably the most vulnerable in our society. They are purchasing very expensive services at a time when they are very eager to provide for their needs and are perhaps easily convinced. In some cases, they have to move quickly. Additionally, they literally do not have the time to resort to judicial relief—usually a lengthy process—if abused.

The life-care transaction is unique because of both the nature and the magnitude of the transaction: People give all to get all and many put their entire lifetime resources into their contract, trusting that they will be cared for for life. They literally play "you bet your life."

Because of the size of the transaction, the potential for misunderstanding and risk are great. Live-care proprietors control large sums of money and can have as much as $7 to $12 million on hand before opening the facility. Since estimating life expectancy, turnover, and health care costs is difficult, financial projections often do not match reality. As a result, residents can be left in very vulnerable positions—with little security, insurance or equity, if financial difficulties occur.

In my view, Congress, by adopting these provisions, can take an important step in helping to direct the Commission into an area of critical importance to individuals and to our society. Given the human dimension of the problem and the vulnerability of the individuals involved, this area may represent the ultimate need for consumer protection. I hope the House and Senate will agree to these provisions and that the President will not hesitate to give his support.

I urge my colleague to support the reauthorization of the Federal Trade Commission.

Mr. WHITTAKER. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. COATS].

Mr. COATS. I thank the gentleman for yielding.

I would just like to repeat a point that was just made by the gentleman from Texas [Mr. BRYANT]. I am sure there are a lot of Members watching or listening to this debate that think this is nothing more than a turf battle between Energy and Commerce and Public Works. "Here is Energy and Commerce which already has a considerable amount of jurisdiction trying to grab another piece."

As Mr. BRYANT said, and I think said very well, this is not a jurisdictional battle. Members should decide on the merits how they are going to vote on this matter. But it is not a jurisdictional battle between the two committees. Let me explain why it is not.

The Energy and Commerce Committee has jurisdiction over consumer protection, and has had for a long time. That jurisdiction includes jurisdiction over the FTC and, naturally, advertising. The Public Works Committee has jurisdiction over aviation matters.

Therefore, bills that concern airline advertising have in the past and are presently jointly referred to both committees. In fact, title II, the portion of the bill that we are talking about now, was introduced originally by Congressman BILIRAKIS and Congressmen WYDEN and LUKEN as H.R. 3415. That bill was jointly referred to both committees; Energy and Commerce and Public Works. If that bill were enacted, both committees would retain jurisdiction over airline advertising.

Thus, what we are looking at here is not a battle of one committee stealing another committee's jurisdiction. We are simply saying there is an agency in the Federal Government that has been set up to deal with advertising.

When it comes to airline advertising, that agency has the expertise to look at the questions that need to be decided, to promulgate the rules and the regulations, to have authority over that practice of the industry. It does in almost every other instance, whether you are talking about automobiles, drugs or other items that the Federal Government has jurisdiction over or deals with. Why not let it have it over advertising?

So we are not taking jurisdiction away from one committee. We are simply saying that there is another agency of the Government that has that as its function and let us give it that authority to go ahead and regulate that as it does the others.

So, fine, look at it from the merits, do not let this come to a jurisdictional matter between the two committees because that is not what it is.

Mr. THOMAS A. LUKEN. Mr. Chairman, I yield 2 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, title II provides some real protection to airline consumers and consumers want us to do something on fares, fare availability and on-time performance.

We have to do something about the airline scandalous advertising. How many times have we seen that ad, "Go coast to coast for $33"? But if you check the fine print you have to do it at 3 a.m. on February 30.

This bill requires full, conspicuous and understandable disclosure. Since the sunset of the Civil Aeronautics Board, the Department of Transportation was supposed to take care of airline advertising.

DOT's stated position is that consumer protection is not among its significant functions. It has filed to promulgate any advertising rules. Its enforcement record on consumer protection in general is abysmal, if not totally nonexistent.

Some statistics: From January to August of 1987, the Department of Transportation received 19,410 airline consumer complaints, 52 percent more than in all of 1986.

Now this did not include complaints sent to airlines directly. A survey of five carriers revealed 275,358 total complaints, nearly 11,000 of those in the area of restrictions and fare availability alone.

What this legislation does is the following: It gives the Federal Trade Commission an opportunity to do something about what the public wants done and that is eliminate some of this scandalous, and I say scandalous airline advertising. It cannot get any worse than it is right now. The Department of Transportation is not doing the job. And the reason we are here is not a turf battle, it is because consumers have been complaining to our offices, to the airlines and the time has come to act.

Mr. WHITTAKER. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado [Mr. SCHAEFER], a member of the committee.

Mr. SCHAEFER. I thank the gentleman for yielding.

I want to reflect what a few other members of the committee have said, that we are not talking about jurisdiction. What we indeed should be talking about is what is good for the consumer of this country or what is not good for the consumer of this country. A lot of people will tell you that the Airline Passenger Protection Act that we just passed, H.R. 3051, was a cure-all, that this is going to take care of it.

Let me make five points: First of all, H.R. 3051 does nothing more in section 1706 than endorse the airlines' present advertising practices.

H.R. 3051 does not acknowledge that the Federal Trade Commission is the institution that has historically protected the public from unfair, deceptive, and fraudulent advertising.

H.R. 3051 does not acknowledge the fact that the Department of Transportation Office of Intergovernmental Affairs and Consumer Affairs has only 12 people, only 12 people who have full-time duties to review these complaints.

H.R. 3051 does not acknowledge that the FTC, whose whole involvement is in protection of the consumer, has over 500 people to do this very thing. H.R. 3051 does not acknowledge that the DOT is a facilitator for complaints, not a watchdog as would be the case for the FTC.

I think we are moving in the right direction on this, for the consumers of this country and I think we ought to support the consumers of this country and allow the FTC to take control of this very important issue.

Mr. THOMAS A. LUKEN. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. FLORIO].

Mr. FLORIO. I thank the gentleman for yielding time to me.

Mr. Chairman, I wish to commend the chairman and my other colleagues on the Energy and Commerce Committee for the work they have done in bringing the FTC reauthorization bill, H.R. 2897, to the floor. As in recent past Congresses, the reauthorization bill represents a bipartisan consensus which avoids the extreme proposals that have sometimes stalled efforts to reauthorize the FTC.

The FTC is an important agency with responsibility for ensuring both a free marketplace and a fair marketplace. When the FTC is not willing or is not able to do its job, the public is harmed by higher prices and unfair and deceptive advertising practices. Long ago, business leaders as well as consumers recognized that economic progress and public accountability go together.

That is why I am particularly pleased that, with this bill, the House once again rejects some of the extreme proposals to cripple consumer protection which have been suggested over the years. I have in mind, in particular, the proposal, rejected by the bill, to exempt unfair advertising from the Commission's authority to issue industrywide rules.

I know that many Members here today are sensitive to public concern regarding advertising of products that could be harmful, particularly when such promotion is targeted at young people. With its authority to address unfair practices, the FTC is better able to address this problem.

I believe that many in the business community itself realize that an exemption for unfair advertising would provide only an illusory benefit. Without the FTC, we would simply have the same issues more frequently politicized in the legislative arena.

So I commend my colleagues for taking this step, by reauthorizing the FTC, to revitalize the Commission.

As we seek to prevent inflation from reigniting, this is no time to weaken the check of competition on prices.

When we are facing increasingly fierce competition abroad and an influx of quality foreign made products at home, this is no time to weaken the impulse of free enterprise to innovate and improve quality. No time to weaken protections against unfair and deceptive practices. On the contrary, we should reassure the American consumer that the FTC will continue to help the consumer make every dollar count.

For all of these reasons, H.R. 2897 is an important bill, and I commend my colleagues for their success in bringing

this balanced, consensus bill before the House.

I would like to speak in support of title II of H.R. 2897, which would return jurisdiction to the Federal Trade Commission over consumer protection for air travelers. In terminating the exclusion of the FTC from this field, we would not disturb the appropriate jurisdiction of the Department of Transportation. We would simply remove the legal barrier to FTC action.

The failure of DOT to address the avalanche of air traveler consumer complaints has become a national scandal. Title II of the bill deals in particular with such areas of frequent consumer concern as failure to disclose limitations on the availability of discount fares or the on-time performance of advertised flights.

Probably few people are surprised by the collapse of consumer protection for air travelers. In recent years, agency after agency of the Federal Government has neglected the rights of consumers. From food safety, to highway safety, to air travel, the story has been the same. Public tolerance for this breakdown in law enforcement is at an end, and Congress has been forced to enact more and more specific and more mandatory consumer protection legislation.

Mandating FTC action to deal with airline advertising is particularly appropriate because advertising is a key area of FTC expertise and responsibility. The Department of Transportation has itself suggested that the FTC would perhaps be better able to protect consumers in its field of expertise.

Public opinion in America long ago concluded that the only free marketplace worthy of the name is a fair marketplace. By not only restoring FTC jurisdiction over air travel, but requiring action to protect consumers, title II of the bill can help restore the protection for consumers that the law and public opinion demand.

Mr. WHITTAKER. Mr. Chairman, to conclude debate, I yield 12 minutes to the gentleman from Florida [Mr. BILIRAKIS], who coauthored the title II amendment.

Mr. BILIRAKIS. Mr. Chairman, H.R. 2897 was developed in a thoughtful, constructive manner and I wish to commend Chairman LUKEN for his hard work and fairness. However, I regret to say that this bill comes to this floor under a cloud. This cloud has been created because of the truth-in-airline advertising language which has been talked about here this morning and which I introduced in committee to protect the consumers of this country against unfair, deceptive, and fraudulent advertising practices of the airlines.

Instead of judging title II on its merits, we are seeing an all-out attack against this consumer protection provision.

The Committee on Energy and Commerce has been accused of thievery and it has been said that passage of title II will have a serious adverse affect on aviation safety.

Mr. Chairman, I am appalled. As the junior Member of this body, I have had a real education in the last few weeks. That education is continuing today as some of us concern ourselves more with turf protection than with protection of the consumer.

□ 1230

The public already is afraid to fly because of reported near misses, landings at wrong airports, and other alarming news.

However they are being frightened even more by Members of this body who are purporting that passage of legislation to stop deceptive airline advertising will endanger their safety on airplanes.

As elected representatives of the people we have a responsibility to protect the public, not to give rise to unreasonable fears. Let's look at the reasons why I introduced this language.

As we look at the airline ads it's easy to see why we need the FTC to monitor airline advertising. It's plain and simple. The ads with all of their asterisks and crosses and fine print cannot be understood. They say you can buy a ticket at a certain price, yet in the smallest print possible there are confusing restrictions, disclaimers, and rate changes.

But, Mr. Chairman, even if you could understand the restrictions, the fact is that you wouldn't be able to purchase the advertised ticket—because, more often than not, it doesn't exist. This was clearly brought home when a member of my committee, the gentleman from Minnesota [Mr. SIKORSKI] tried, during a hearing, to purchase a ticket that had just been advertised. It simply wasn't available on any day or at any time. However, he sure could have bought a more expensive one, I would wager.

This is nothing more than bait and switch. It is clearly illegal and unethical. If you want to talk about thievery, this fits right in that category. The public's trust is being stolen through deception and outright lies.

If you've watched any television airline ads lately, you've seen even worse. You'll see an ad for some attractive vacation destination with the price of the ticket on the screen and a gorgeous beach in the background. You have plenty of time to take in this imagery. Yet you have only a second or two to digest all of the restrictions on that airline fare as it rolls by on the screen at a rapid rate.

Is this fair or is it deceptive and unfair? It is unfair and deceptive because there is virtually no chance you can buy that particular ticket. Mr. Chairman, you should be able to buy what is advertised, and this simply is not the case with advertised airline tickets.

Travel agents have told me that these airline ads do nothing but cause them trouble and build ill will when a customer calls for one of the special fares and has to be told it simply is not available. Travel agents want this legislation and the American Society of Travel Agents has endorsed this bill. Truth in advertising will certainly make their lives easier.

Let us go now into the substance of title II that is being attacked by some people here on this floor this afternoon. Title II would merely authorize the Federal Trade Commission to regulate unfair and deceptive airline practices including the regulation of airline advertising. It requires the FTC to promulgate a rule, within 180 days, that defines any airline ad that does not include a full, conspicuous, and understandable disclosure of the limitation or other restrictions applicable to the availability of discount fares. The FTC must also require advertising which advertises a flight between two points to include the average on-time performance of the flights between such points.

The bill establishes concurrent jurisdiction between the DOT and the FTC over these practices. It does not revoke DOT's current authority; but rather, requires the two agencies to enter into a memorandum of understanding identifying which agency will be responsible for different consumer protection issues. This dual jurisdiction is not unusual as evidenced by the Bureau of Alcohol, Tobacco and Firearms, the Food and Drug Administration, et cetera, which share jurisdiction with the FTC. Under the language in H.R. 2897, the DOT will continue to regulate such issues as smoking areas on planes and lost baggage, safety measures—in fact, all airlines matters with exception of advertising and deceptive practices which will be regulated by both on a concurrent basis.

In order to ensure that the FTC moves expeditiously, they must promulgate a rule within 180 days. There is no flexibility in this. They will be forced to move rather than undergoing an investigation that could last for years. We know what the problem is so the task is simple. I believe it is vital to the consumers of America that something as important as advertising and other deceptive airline practices be monitored by an agency that has sufficient personnel and expertise in these areas.

Mr. Chairman, the Federal Trade Commission is the Federal Government's consumer protection agency. It is literally the only consumers' protection agency. The Department of

Transportation is a transportation agency. The Bureau of Consumer Protection within the FTC, with 75 years of experience—I repeat, 75 years of experience solely in this area—has the staff, as was mentioned earlier, better than 500 personnel including attorneys, economists, consumers' affairs specialists, and they have 10 regional offices. DOT, on the other hand, as was responded to us in a query to the DOT, has 12 staff devoted to consumer issues plus 9 attorneys who devote about a third of their time to aviation consumer issues.

Furthermore, it is obvious that something is right about title II since it has received the endorsement of the Consumers Union and the Consumer Federation of America, both of which are watchdogs for American Consumers.

Additionally, let me quote from a letter I received from the Florida attorney general, Bob Butterworth. It is dated September 14, 1987:

The real subject of my letter is the amendment introduced by you, transferring authority to regulate air carrier advertising from the Department of Transportation to the FTC. The absence of effective Federal regulation in this area has prompted increased interest by State authorities to engage in regulating air carrier advertising. There are obvious disadvantages to State regulation, including increased litigation over jurisdiction preemption and choice of law issue. The present regulatory scheme does not effectively protect the public, however, and therefore invites piecemeal State regulation. A better solution for all concerned is to enable the FTC to adopt uniform nationwide rules on advertising. Accordingly, I urge support for H.R. 2897.

Mr. Chairman, it is hard to argue with Attorney General Butterworth's reasoning. It's plain and simple: the DOT hasn't been doing a very good job of protecting consumers, and it's time to admit that a mistake was made when the sunset of the CAB occurred and the FTC was denied its historical function of overseeing advertising and consumer issues as they relate to the airline industry.

Mr. Chairman, I might add at this point in time that I would like to quote from the Federal Register dated June 10, 1987. This is an article by the Department of Transportation, and it reads:

Through section 5 of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) the FTC has consumer protection authority over most industries. This authority does not extend to air carriers and foreign air carriers subject to the Act, but otherwise is virtually identical to the Department's consumer responsibilities under section 411. It may be advisable to seek legislation that would extend the FTC's jurisdiction to cover airlines, and thereby give that agency concurrent consumer jurisdiction with the Department. At the time of the CAB sunset, the Department took the position that the FTC was the appropriate agency to have responsibility for consumer protection. This alternative would have the advantage of enabling the FTC to apply its consumer protection expertise to the aviation industry.

Mr. Chairman, I urge all of my colleagues to support H.R. 2897 as reported. Let us move forward in protecting consumers.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. BILIRAKIS. Mr. Chairman, I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I thank the gentleman from Florida for yielding. I just want to support what the gentleman has said and commend him for his leadership in handling this particular part of the Federal Trade Commission reauthorization legislation.

There were two things that were said by one of the other speakers earlier that I think needs clarification.

The gentleman correctly pointed out that there were only 12 lawyers down at the Department of Transportation.

Mr. BILIRAKIS. Mr. Chairman, if I may, there are 12 staff, and nine lawyers, one-third of their time being devoted to these matters.

Mr. LENT. Mr. Chairman, I thank the gentleman. This is not a question of jurisdiction. The FTC is better equipped by reason of experience and staff to regulate unfair and deceptive advertising practices by the airlines. I would just point out that we have checked with the Federal Trade Commission. They have a total of 1,014 employees down at the Federal Trade Commission, approximately 400 of whom are assigned to the Bureau of Consumer Protection, and of those 400, 150 are attorneys. Also, someone I think indicated that the Federal Trade Commission was too young an agency to really know what they were doing in this field. I would point out that the Federal Trade Commission has been in this business of unfair and deceptive practices since 1914. That is over 73 years that they have been in the business.

So I just think we ought to try to debunk some of the misconceptions that are being floated here in connection with this legislation.

Mr. BILIRAKIS. Mr. Chairman, I thank the gentleman for those complimentary remarks, and I yield back the balance of my time.

Mr. THOMAS A. LUKEN. Mr. Chairman, I am glad to yield the ballance of my time, which I understand is 8 minutes, to the gentleman from Michigan [Mr. DINGELL], the chairman of the Committee on Energy and Commerce.

Mr. McEWEN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. McEWEN. Mr. Chairman, during the debate before us today regarding the Federal Trade Commission authorization legislation, we will be discussing a very serious and very important matter—the jurisdiction over the regulation of airline advertising.

I believe that my colleagues from the Committee on Public Works and Transportation have very clearly defined the issues surrounding this confusing debate. The most important issues are those of safety. How is it, that the very agency that once had jurisdiction over airline advertising—the Federal Trade Commission—lost jurisdiction in 1974 to Department of Transportation, is now, 13 years later going to again gain control over airline advertising and consumer issues? What about the Federal Trade Commission has changed?

Nothing.

In fact, the Department of Transportation has historically been responsible for protecting the traveling public. To, now, include the Federal Trade Commission in the review and oversight of the advertising and consumer related practices will not simply hinder and further delay an already difficult function, but I believe will seriously undermine our ongoing efforts to provide more responsible reporting to the consumer by the commercial carriers.

Mr. Chairman, we made a very serious mistake last week when we voted against removing the aviation trust fund from the unified budget. I hope we will not make yet another mistake, today, by including the Federal Trade Commission in a matter that involves, strictly, the Department of Transportation.

I hope my colleagues will support the amendment to strike title II and will leave the matter of airline advertising where it belongs, in the hands of the Department of Transportation.

Mr. DINGELL. Mr. Chairman, I think it is important to know what this bill does and what it does not do.

A simple explanation of what it does not do I think is first in order. First, it does not fragment jurisdiction over advertising. It simply vests in the FTC, an agency which has traditionally had jurisdiction over unfair and deceptive practices in advertising, the control of that particular unfortunate practice when we have found that that issue has not been properly dealt with at the Department of Transportation.

Second, it is not a jurisdictional raid. I would point out that the issue of jurisdiction has been decided twice, once in the Rules Committee in spite of extremely effective and vigorously pressed protests by my good friends on the Committee on Public Works and Transportation. The Rules Committee plainly ruled that the committee of basic jurisdiction on this matter was the Committee on Energy and Commerce.

It has also been decided by the Parliamentarian in connection with the reference of similar legislation which was jointly referred to the Committee on Energy and Commerce and the Committee on Public Works and Transportation.

It is important to understand what is really at stake here. What is really at stake here is whether we are going to protect American consumers who are

now being skinned by unethical, improper, false, deceptive and misleading practices by the airlines with regard to all manner of flights. Seats which do not exist are being advertised, rates which are not available are being advertised, conditions which are attached to the sales of seats are not being disclosed, flights which are being cancelled are not being disclosed, and ontime performance is being exaggerated by airlines. Consumers are, frankly, fed up.

I want to commend the gentleman from Florida [Mr. BILIRAKIS] who originated this amendment. The first time I saw it was when it came up in the Committee on Energy and Commerce on the day in question. I want to commend the distinguished chairman of the subcommittee, the ranking minority member, and my colleagues on both sides of the aisle who have participated actively in moving this matter forward.

One of the settled principals of American law is that where a regulated industry exists, an attempt is made to deal with all of the regulation in one agency. But one of the important things to observe here is that when we deregulated the airlines we really never eliminated the exemption from FTC jurisdiction which they had previously had. Incidentally, it is interesting to note that the previous arrangement which the airlines had was one which vested economic regulation in the Civil Aeronautics Board and safety regulation in the Federal Aviation Administration. The charge has been made here that something is going to fragment economic regulation and safety regulation. That is obviously not true.

What happens here is that the Federal Trade Commission is simply given the power to regulate unethical, false, deceptive practices in advertising as they have always done with regard to virtually all other industries.

Why is this happening? During a recent period the Department of Transportation received over 22,000 consumer complaints. The Department of Transportation investigated, and I ask my colleagues to listen to this, investigated 30 advertising complaints out of a total of 22,000 consumer complaints.

□ 1245

The extent of one of these examinations, according to DOT, was that "the investigator reviewed the ad and determined that no violation under current interpretation of price advertising requirements" existed.

DOT says that it assessed $656,000 in civil penalties since January 1986 for violation of various rules.

Examination shows that these penalties were asserted almost exclusively against small carriers with only one of the cases, one, involving violation of consumer rules by a major air carrier, and only two involving deceptive ads by tour operators and charters.

It is interesting to note that the principal supporters of this legislation outside of this body are the Consumer Federation of America and the Consumers Union.

That tells you where the consumers and the airline passengers are. They are outraged about fraudulent, false, misleading advertising by the airlines. That is the issue which is at stake.

Is the Department of Transportation, which has had jurisdiction over this for a number of years and done nothing, going to continue to rest tranquilly by its responsibilities, or are you going to adopt the legislation before the House which requires the Federal Trade Commission to adopt a rule protecting American passengers from the kind of unfair and improper behavior that we have seen in connection with advertising by the airline industry?

It also requires that there be coordination between the Department of Transportation and the FTC. Is this a raid on the Committee on Public Works and Transportation? It is not.

Is it protection of American consumers and passengers? It is.

Ask the Consumer Federation of America. Ask the Consumers Union. They support this provision.

Ask the travel agents who have to deal with outraged passengers on a daily basis. They will tell you that they support the language of the committee-passed bill and the provisions of title II.

Let me say a little more as to what the Department of Transportation has done to protect you. Remember, I speak now to the frequent fliers in this room.

I also speak to our constituents, who are compelled to rely on the somnolent behavior of the Department of Transportation, and who are compelled to suffer the whim and caprice of airlines which just recently had one of their ticket counters stormed by infuriated passengers.

Perhaps the Members like the idea of consumers storming ticket offices and airlines reservation counters. I personally would prefer to give my constituents a legal remedy and a means to address the problem.

Through June 1987, the Department had received 15,621 complaints compared with 6,393 for the same period in 1986.

If DOT asserted its authority at all, it is clear they have done so with no effectiveness.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. DINGELL] has expired.

The gentleman from Kansas [Mr. WHITTAKER] has 2 minutes remaining.

Mr. WHITTAKER. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. DINGELL], the chairman of the full committee.

Mr. DINGELL. Mr. Chairman, I thank the gentleman for yielding me this time.

Let me talk about the complaints that the carriers have got and the public-be-damned attitude that the carriers show.

Five carriers reported to the Committee on Energy and Commerce 275,358 complaints during this same period.

Citizens had no redress whatsoever from DOT, which acted on only 30 advertising complaints during this period of time.

DOT has 12 people who work full-time on these matters; approximately one-third of the time of another nine people is applied to these matters.

The Federal Trade Commission has better than 400. Wouldn't the Members like to have this dealt with by an agency which has the manpower and the authority?

Let me just tell the Members a little bit about what one of the airlines said.

They said this: "The Department of Transportation no longer informs us concerning complaints it receives relating to our airline. To the extent that we become aware of such complaints, it is the result of incidental inquiries by Department of Transportation personnel or copies sent to us by the passenger."

Does that tell the Members of diligent application of the law by the Department of Transportation? The answer is, it does not.

When the amendment is offered striking title II, I urge the Members to vote for the passengers. I urge the Members to vote for the American people.

I urge the Members to vote for fairness, and I urge the Members to vote to see to it that jurisdiction is placed in an agency which has the experience, the ability, and which will have the requirement of statute to act on these matters, and to do so vigorously.

The time for citizens having to storm the ticket counters of airlines, I think, should be over. We should see to it that there is a legal remedy available to our people to address the complaints that they have about false, deceptive and misleading advertising, and about the behavior of airlines which is clearly public-be-damned, and let us get down to a situation where we can look for decent, fair and honorable treatment from the airlines instead of the kind of scabrous treatment that has been afforded our people heretofore.

Mr. SLATTERY. Mr. Chairman, I rise in support of H.R. 2897, legislation reauthorizing the Federal Trade Commission. This legislation includes an amendment, which Representative TAUKE and I offered during consideration by the Energy and Commerce Subcommittee on

Transportation, Tourism, and Hazardous Materials, that would prohibit the FTC from studying, investigating, or prosecuting agriculture cooperatives for activities which are protected by the Capper-Volstead Act.

This amendment also includes provisions which would prevent the FTC from conducting any study or investigating of agricultural marketing orders.

These restrictions were originally placed upon the FTC by the FTC Improvements Act of 1980 and have been continued in subsequent continuing resolutions.

There are more than 5,600 farmer cooperatives in the United States, with a combined membership of nearly 2 million farmers. Two-thirds of American farmers are affiliated with one or more cooperatives.

The restrictions contained in this amendment were originally imposed to prevent needless and costly regulation of farmers and their cooperatives by the FTC in areas already fully regulated by the Justice Department and USDA.

Section 1 of the Capper-Volstead Act, which was written by former Senator Arthur Capper, who served the people of Kansas for 30 years as a Member of that body, provides that producers of agricultural products may act together in corporate or noncorporate associations, operated for the mutual benefit of the member producers in collectively processing, preparing for market, handling, and marketing their products. It also authorizes them to have marketing agencies in common and to make the necessary contracts and agreements to effect such purposes.

The Capper-Volstead Act is as important today as it was when it was enacted in 1922.

Farmers marketing their products individually lack bargaining power in the marketplace. There are relatively few buyers who process and distribute raw agricultural commodities. Capper-Volstead protects the consuming public against the possibility of undue price increases as a result of any monopoly position that a group of producers could achieve by acting together.

Section 2 of Capper-Volstead grants specific authority to the Secretary of Agriculture to guard against possible abuses of Capper-Volstead by requiring the issuance of a complaint if the Secretary has reason to believe that any association monopolizes or restrains trade to such an extent that the price of any agricultural produce is unduly enhanced. The Secretary is authorized to issue a cease and desist order against the association.

This oversight of cooperatives is also shared by the Attorney General. Once a cooperative is formed, it is limited in its business activities in much the same way as noncooperatives.

In addition, the Agricultural Marketing Agreement Act of 1937 authorized the Secretary of Agriculture to enter into marketing agreements with handlers or to issue marketing orders regulating the handling of milk and other agricultural commodities in interstate commerce. The objective of the statute is to effect an orderly flow of commodities in order to protect the interests of consumers as well as farmers under the direct regulatory control of the Secretary of Agriculture.

Section 8(b) of the act provides that marketing orders entered into between the Secretary of Agriculture and handlers, or orders issued by the Secretary, are exempt from the antitrust laws. The Secretary is responsible for balancing the public interest among producers, handlers, and consumers. Changes in marketing orders are made on the record following full notice to interested parties and the opportunities to be heard.

During the 1970's, the FTC ignored the provisions of the Capper-Volstead Act and the Agricultural Marketing Agreement Act by proceeding against cooperatives and marketing orders. The costs to cooperatives, and to the Government, as a result of these intrusions into the jurisdiction of the Secretary of Agriculture were substantial.

Mr. Chairman, the exemptions from antitrust laws given to farmers and their cooperatives are limited and carefully drawn. They have been narrowly construed by the courts to achieve only their intended purposes. In addition, the Department of Agriculture has the necessary expertise and trained personnel necessary to monitor and enforce marketing order programs. FTC involvement in these areas would be duplicative, costly, and unnecessary. In short, Mr. Chairman, as we say in the Midwest, "if it ain't broke, don't fix it."

The CHAIRMAN. All time has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute recommended by the Committee on Energy and Commerce now printed in the reported bill shall be considered by titles as an original bill for the purpose of amendment, and each title shall be considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Federal Trade Commission Act Amendments of 1987".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Trade Commission Act.

The CHAIRMAN. Are there any amendments to section 1?

If not, the Clerk will designate title I.

The text of title I is as follows:

TITLE I—GENERAL PROVISIONS

SEC. 101. UNFAIR METHODS OF COMPETITION.

Section 5 (15 U.S.C. 45) is amended by adding at the end the following:

"(n) The Commission shall not have any authority to find a method of competition to be an unfair method of competition under subsection (a)(1) if, in any action under the Sherman Act, such method of competition would be held to constitute State action.".

SEC. 102. PROCEEDINGS SUBSEQUENT TO ORDERS.

(a) CIVIL PENALTIES.—Section 5(m)(1)(B) (15 U.S.C. 45(m)(1)(B)) is amended by inserting ", other than a consent order," immediately after "order" the first time it appears.

(b) DETERMINATIONS OF LAW.—Section 5(m)(2) (15 U.S.C. 45(m)(2)) is amended by adding at the end the following: "Upon request of any party to such an action against such defendant, the court shall also review the determination of law made by the Commission in the proceeding under subsection (b) that the act or practice which was the subject of such proceeding constituted an unfair or deceptive act or practice in violation of subsection (a).".

SEC. 103. EFFECTIVE DATE OF ORDERS.

Section 5(g) (15 U.S.C. 45(g)) is amended to read as follows:

"(g) An order of the Commission to cease and desist shall become final as follows:

"(1) Upon the expiration of the time allowed for filing a petition under subsection (c) for review if no such petition has been duly filed within such time, except that the Commission may after the order becomes final modify or set it aside to the extent provided in the last sentence of subsection (b).

"(2) Upon the 60th day after such order is served if a petition under subsection (c) for review has been duly filed, except that any such order may be stayed, in whole or in part and subject to such conditions as may be appropriate, by—

"(A) the Commission,

"(B) an appropriate court of appeals of the United States if (i) a petition for review of such order is pending in such court, and (ii) an application for such a stay was previously submitted to the Commission and the Commission, within the 30-day period beginning on the date the application was received by the Commission, either denied the application or did not grant or deny the application, or

"(C) the Supreme Court if an applicable petition for a writ of certiorari is pending.

"(3) For purposes of subsection (m)(1)(B) and section 19(a)(2)—

"(A) if a petition under subsection (c) for review of the order of the Commission has been filed and if the order of the Commission has been affirmed or the petition for review has been dismissed by a court of appeals of the United States and no petition for certiorari has been duly filed, upon the expiration of the time allowed for filing a petition to the Supreme Court for a writ of certiorari,

"(B) if a petition under subsection (c) for review of the order of the Commission has been filed and if the order of the Commission has been affirmed or the petition for review has been dismissed by a court of appeals of the United States, upon the denial of a petition for a writ of certiorari, or

"(C) if a petition under subsection (c) for review of the order of the Commission has been filed, upon the expiration of 30 days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed.

"(4) In the case of an order requiring a person, partnership, or corporation to divest itself of stock, other share capital, or assets—

"(A) if a petition under subsection (c) for review of such order of the Commission has been filed and if the order of the Commission has been affirmed or the petition for review has been dismissed by a court of appeals of the United States and no petition for certiorari has been duly filed, upon the expiration of the time allowed for filing a petition to the Supreme Court for a writ of certiorari,

"(B) if a petition under subsection (c) for review of such order of the Commission has been filed and if the order of the Commis-

sion has been affirmed or the petition for review has been dismissed by a court of appeals of the United States upon the denial of a petition for a writ of cer- tiorari, or

"(C) if a petition under subsection (c) for review of such order of the Commission has been filed, upon the expiration of 30 days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed.".

SEC. 104. CIVIL INVESTIGATIVE DEMANDS.

(a) SECTION 20(a).—Section 20(a)(15 U.S.C. 57b-1(a)) is amended—

(1) in paragraph (2), by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission";

(2) in paragraph (3), by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "acts or practices or methods of competition declared unlawful by a law administered by the Commission"; and

(3) in paragraph (7), by striking "unfair or deceptive act or practice in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission".

(b) SECTION 20(b).—Section 20(b) (15 U.S.C. 57b-1(b)) is amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by a law administered by the Commission".

(c) SECTION 20(c).—Section 20(c)(1) (15 U.S.C. 57b-1(c)) is amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by a law administered by the Commission".

(d) SECTION 20(j).—Section 20(j) (15 U.S.C. 57b-1(j)) is amended by inserting immediately before the semicolon the following: ", any proceeding under section 11(b) of the Clayton Act, or any adjudicative proceeding under any other provision of law".

SEC. 105. AGRICULTURAL COOPERATIVES.

The Federal Trade Commission Act is amended by redesignating sections 24 and 25 as sections 27 and 28, respectively, and by inserting after section 23 the following:

"SEC. 24. (a) The Commission shall not have any authority to conduct any study, investigation, or prosecution of any agricultural cooperative for any conduct which, because of the provisions of the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 18, 1922 (7 U.S.C. 291 et seq., commonly known as the Capper-Volstead Act), is not a violation of any of the antitrust Acts or this Act.

"(b) The Commission shall not have any authority to conduct any study or investigation of any agricultural marketing orders.".

SEC. 106. DISAPPROVAL OF FTC RULES.

(a) AMENDMENT.—The Federal Trade Commission Act is amended by inserting after the section added by section 105 the following:

"SEC. 25. (a) The Commission, after promulgating a final rule, shall submit such final rule to the Congress for review in accordance with this section. Such final rule shall be delivered to each House of the Congress on the same day and to each House of Congress while it is in session.

"(b) Any final rule of the Commission shall become effective in accordance with its terms unless before the end of the period of 90 days of continuous session of Congress after the date such final rule is submitted to the Congress a joint resolution disapproving such final rule is enacted into law.

"(c)(1) If a final rule of the Commission is disapproved in accordance with this section, the Commission may promulgate another final rule which relates to the same acts or practices as the rule which was disapproved. Such other final rule—

"(A) shall be based upon—

"(i) the rulemaking record of the disapproved final rule; or

"(ii) such rulemaking record and any record established in supplemental rulemaking proceedings conducted by the Commission; and

"(B) may contain such changes as the Commission considers necessary or appropriate.

Supplemental rulemaking proceedings referred to in subparagraph (A)(ii) may be conducted in accordance with section 553 of title 5, United States Code, if the Commission determines that it is necessary to supplement the existing rulemaking record.

"(2) The Commission, after promulgating a final rule under this subsection, shall submit the final rule to Congress in accordance with subsection (a).

"(d) Congressional inaction on a joint resolution disapproving a final rule of the Commission shall not be construed—

"(1) as an expression of approval of such rule, or

"(2) as creating any presumption of validity with respect to such rule.

"(e)(1)(A) For purposes of subsection (b), continuity of session is broken only by an adjournment sine die at the end of the second regular session of a Congress.

"(B) The days on which either House of Congress is not in session because of an adjournment of more than five days to a day certain are excluded in the computation of the period specified in subsection (b).

"(2)(A) In any case in which a final rule of the Commission is prevented from becoming effective by an adjournment sine die at the end of the second regular session of the Congress before the expiration of the period specified in subsection (b), the Commission shall resubmit such rule at the beginning of the first regular session of the next Congress.

"(B) The period specified in subsection (b) shall begin on the date of a resubmission under subparagraph (A).

"(f) For purposes of this section:

"(1) The term 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the final rule promulgated by the Federal Trade Commission dealing with the matter of , which final rule was submitted to Congress on is disapproved.', the first blank being filled with the subject of the rule and such further description as may be necessary to identify it, and the second blank being filled with the date of submittal of the rule to the Congress.

"(2) The term 'rule' means any rule promulgated by the Commission pursuant to this Act other than a rule promulgated under section 18(a)(1)(A) or an interpretive or procedural rule.".

(b) CONFORMING AMENDMENT.—Section 21 of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57a-1) is repealed.

SEC. 107. INTERVENTION ACTIONS.

The Federal Trade Commission Act is amended by inserting after the section added by section 106 the following:

"SEC. 26. (a)(1) The Commission may not engage in any intervention action except in accordance with this section.

"(2) For purposes of this section, the term 'intervention action' means the conduct of any project for the purpose of—

"(A) submitting written statements, comments, or opinions to any local, State, or Federal agency, to a local or State legislative body, or to an officer or member of such an agency or body, or

"(B) appearing, other than as an original party in interest, before such an agency or body,

but does not include any law enforcement activity of the Commission or any administrative activity of the Commission relating to its operation.

"(b) Except where intervention action is required by Federal law, the Commission or the Commission staff may take an intervention action only upon the request of a Member of the House of Representatives or the Senate or upon the request, confirmed in writing, of a local, State, or Federal agency (other than the Commission), local or State legislative body, or any officer or member of such an agency or body. Such request—

"(1) must be received before intervention action is taken, and

"(2) may not be sought or otherwise solicited by the Commission or the Commission staff.

"(c)(1) Upon initiating an intervention action, the Commission shall notify the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, and in the case of State and local intervention actions, the United States Representatives and Senators from the State in which such intervention action will take place.

"(2) The notification required under paragraph (1) shall include—

"(A) the name of the Federal, State, or local agency or legislative body or officer or member thereof making the request for intervention action,

"(B) the date on or about which the Commission or the Commission staff expects to first submit statements, comments, or opinions in connection with the intervention action for which the notification is given, and

"(C) a statement of the reasons and justification for initiating the intervention action, including a copy of the requesting party's written request for intervention action.

"(d) The Commission only, and not the Commission staff, may make recommendations as to the amendment, enactment, defeat, or veto of legislation or the promulgation, amendment, or revocation of a rule or regulation.

"(e)(1) The Commission shall transmit the matter described in paragraph (2)—

"(A) to the party who requested the intervention action involving such matter,

"(B) to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, and

"(C) upon request, to any United States Representative or Senator.

The matter described in paragraph (2) shall otherwise be made available in accordance with section 552 of title 5, United States Code. The Commission may not transmit such matter to any person who is not referred to in subparagraph (A), (B), or (C) or who has not made a request under such section 552.

"(2) The matter referred to in paragraph (1) is—

"(A) copies of all statements, comments, or opinions made or rendered in an intervention action, and

"(B) a list of all significant documentary evidence, interviews, and other sources of information consulted in the formulation of the statements, comments, or opinions submitted in connection with the intervention action.

"(f) Not more than 5 percent of the amount appropriated for the Federal Trade Commission for any fiscal year may be obligated for the Commission's intervention action program in such fiscal year.

"(g) This section shall apply to intervention actions of the Commission until the date of the enactment of an Act which amends this Act to authorize appropriations for a fiscal year after fiscal year 1990.".

SEC. 108. CREDIT UNIONS.

(a) Sections 5(a)(2), 6(a), and 6(b) (15 U.S.C. 45 (a)(2) and 46(b)) are each amended by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions described in section 18(f)(4),".

(b) The second proviso in section 6 (15 U.S.C. 46) is amended—

(1) by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions described in section 18(f)(4),", and

(2) by inserting immediately after "in business as a savings and loan institution," the following: "in business as a Federal credit union,".

(c)(1) The second sentence of section 18(f)(1) (15 U.S.C. 57a(f)(1)) is amended—

(A) by striking out "and the Federal Home" and inserting in lieu thereof ", the Federal Home", and

(B) by inserting ", and the National Credit Union Administration Board (with respect to Federal credit unions described in paragraph (4))" after "paragraph (3))".

(2) The third sentence of such section is amended—

(A) by striking out "or savings and loan institutions described in paragraph (3)" each place it appears and inserting in lieu thereof ", savings and loan institutions described in paragraph (3), or Federal credit unions described in paragraph (4)",

(B) by striking out "(A) either such Board" and inserting in lieu thereof "(A) any such Board", and

(C) by inserting ", savings and loan institutions, or Federal credit unions" after "with respect to banks".

(4) Section 18(f) (15 U.S.C. 57a(f)) is amended by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively, and by inserting immediately after paragraph (3) the following:

"(4) Compliance with regulations prescribed under this subsection shall be enforced with respect to Federal credit unions under sections 120 and 206 of the Federal Credit Union Act (12 U.S.C. 1766 and 1786).".

SEC. 109. AUTHORIZATION OF APPROPRIATIONS.

Section 27 (15 U.S.C. 57c) (as so redesignated) is amended to read as follows:

"SEC. 27. To carry out the functions, powers, and duties of the Commission there are authorized to be appropriated $69,850,000 for fiscal year 1988, $70,850,000 for fiscal year 1989, and $71,850,000 for fiscal year 1990, and such additional sums for fiscal years 1988, 1989, and 1990 as may be necessary for increases in salary, pay, and other employee benefits as authorized by law.".

SEC. 110. ADVERTISING STUDY.

The Federal Trade Commission shall conduct a study of advertising which uses the offering of the opportunity to receive anything of value as an inducement to purchase that which is being advertised to determine if such advertising constitutes an unfair or deceptive practice. The Commission shall complete the study not later than one year from the date of the enactment of this Act and shall report the results of the study to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

SEC. 111. REPORT ON RESALE PRICE MAINTENANCE.

(a) IN GENERAL.—The Federal Trade Commission shall submit to the Committee on Energy and Commerce of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate the information specified in subsection (b) of this section every 6 months during each of the fiscal years 1988, 1989, and 1990. Each such report shall contain such information for the period since the last submission under this section.

(b) REPORT CONTENTS.—Each such report shall list and describe, with respect to instances in which resale price maintenance has been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission,

(2) each preliminary investigation opened or closed at the Commission,

(3) each formal investigation opened or closed at the Commission,

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission,

(5) each complaint issued by the Commission pursuant to section 5 of the Federal Trade Commission Act (15 U.S.C. 45),

(6) each opinion and order entered by the Commission,

(7) each consent agreement accepted provisionally or finally by the Commission,

(8) each request for modification of an outstanding Commission order filed with the Commission,

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order,

(10) each disposition by the Commission of a request for modification of an outstanding Commission order, and

(11) the number of hours worked by the Commission staff on the activities described in paragraphs (1) through (10).

Such report shall include copies of all consent agreements and complaints executed by the Commission. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The description required under this subsection shall be as complete as possible but shall not reveal the identity of persons or companies making the complaint, those complained about, or those subject to investigation if such identity has not otherwise been made public.

SEC. 112. REPORT ON PREDATORY PRICING.

(a) IN GENERAL.—The Federal Trade Commission shall submit to the Committee on Energy and Commerce of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate the information specified in subsection (b) of this section every 6 months during each of the fiscal years 1988, 1989 and 1990. Each such report shall contain such information for the period since the last submission under this section.

(b) REPORT CONTENT.—Each such report shall list and describe, with respect to instances in which predatory pricing practices have been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission,

(2) each preliminary investigation opened or closed at the Commission,

(3) each formal investigation opened or closed at the Commission,

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission,

(5) each complaint issued by the Commission,

(6) each opinion and order entered by the Commission,

(7) each consent agreement accepted provisionally or finally by the Commission,

(8) each request for modification of an outstanding Commission order filed with the Commission,

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order,

(10) each disposition by the Commission of a request for modification of an outstanding Commission order, and

(11) the number of hours worked by the Commission staff on the activities described in paragraphs (1) through (10).

Such report shall include copies of all consent agreements and complaints executed by the Commission. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The descriptions required under this subsection shall be as complete as possible but shall not reveal the identity of persons or companies making the complaint, those complained about, or those subject to investigation if the identity has not otherwise been made public. The report shall include any evaluation by the Commission of the potential impacts of predatory pricing upon businesses (including small businesses).

SEC. 113. INSURANCE STUDIES.

(a) IN GENERAL.—The Federal Trade Commission shall conduct comprehensive studies of—

(1) the use of potentially unfair, deceptive, or misleading practices in the sale of health insurance policies to the elderly, including the sale of policies marketed as supplements to coverage under title XVIII of the Social Security Act, the relationship of the premiums for such policies to claims paid, and the effectiveness of the States in preventing unfair, deceptive, or misleading practices in the marketing and sale of such policies, and

(2) the increase in property and casualty insurance rates to small business owners, local governments, physicians, nurses, nurse-midwives, dentists, and child care centers over the last 7 years, including the extent of such increases, the relationship of increases to actual costs, the reasons for such increases, and the degree of competition in the market for such coverage.

The study described in paragraph (2) may include rate increases for self-insurers if the Commission deems it necessary.

(b) AUTHORITY, REPORT.—

(1) In conducting the studies under subsection (a), the Federal Trade Commission

may exercise the authority of the Commission under section 6(b) of the Federal Trade Commission Act.

(2) The Commission shall report to Congress within one year the results of the studies under subsection (a). In the event additional time is required to complete such studies, the Commission shall make an interim report within one year. The Commission shall make such reports generally available to the public and appropriate State officials.

SEC. 114. LIFE CARE HOME STUDY.

(a) STUDY.—The Federal Trade Commission shall conduct a study of unfair and deceptive practices in the life care home industry, including practices engaged in by life care homes. Within 24 months of the date of the enactment of this section, the Commission shall report the findings and conclusions of the study to Congress. If the Commission finds a rulemaking is warranted under section 18 of the Federal Trade Commission Act, the Commission shall, promptly after completion of the study, initiate a trade regulation rule proceeding under such section 18 respecting unfair and deceptive acts or practices in the life care home industry. If the Commission determines a rulemaking is not warranted, the Commission shall include in the report to Congress the reasons for such determination.

(b) DEFINITIONS.—For purposes of subsection (a):

(1) The term "life care home" includes the facility or facilities occupied, or planned to be occupied, by residents or prospective residents where a provider undertakes to provide living accommodations and services pursuant to a life care contract.

(2) The term "life care contract" includes a contract between a resident and a provider to provide the resident, for the duration of such resident's life, living accommodations and related services in a life care home, including nursing care services, medical services, and other health-related services, which is conditioned upon the transfer of an entrance fee to the provider and which may be further conditioned upon the payment of periodic service fees.

SEC. 115. NATIVE AMERICAN ARTS AND CRAFTS.

(a) COMPLAINTS.—The Federal Trade Commission shall monitor complaints received by the Commission on the marketing of imported imitation Native American arts, crafts, and silver jewelry to determine the extent to which such arts, crafts, and silver jewelry contain the English name of their country of origin by means of etching, engraving, die stamping, raised lettering, or other equally permanent method of marking. Upon the expiration of 18 months after the date of the enactment of this Act, the Commission shall report to the Congress on the results of the monitoring under this subsection.

(b) INFORMATION BROCHURE.—The Federal Trade Commission shall revise and distribute a consumer information brochure to assist consumers in filing complaints with the Commission on the sale of imported imitation Native American arts, crafts, and silver jewelry. The revised brochure shall be completed and distribution begun not later than 6 months after the date of the enactment of this Act.

SEC. 116. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsections (b), (c), and (d) of this section, the amendments made by this title and this title shall take effect on the date of enactment of this Act.

(b) SECTIONS 101 AND 103.—

(1) The amendment made by section 101 shall apply only with respect to proceedings under section 5 of the Federal Trade Commission Act after the date of enactment of this Act. The amendment made by section 103 shall apply only with respect to cease and desist orders issued under section 5 of the Federal Trade Commission Act (15 U.S.C. 45) or to rules promulgated under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) after the date of enactment of this Act.

(2) The amendments made by sections 101 and 103 shall not be construed to affect in any manner a cease and desist order which was issued, or a rule which was promulgated, before the date of enactment of this Act. Such amendments shall not be construed to affect in any manner a cease and desist order issued after the date of enactment of this Act, if such order was issued pursuant to remand from a court of appeals or the Supreme Court of an order issued by the Federal Trade Commission before the date of enactment of this Act.

(c) SECTION 104.—The amendments made by section 104 shall apply only with respect to compulsory process issued after the date of enactment of this Act.

(d) SECTION 107.—The amendments made by section 107 shall apply only with respect to intervention actions taken after the date of the enactment of this Act.

The CHAIRMAN. Are there any amendments to title I?

AMENDMENT OFFERED BY MS. SNOWE

Ms. SNOWE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. SNOWE: Page 25, line 4, redesignate section 116 as section 117 and insert after line 3 on page 25 the following:

SEC. 116. DECEPTIVE MAILINGS.

(a) STUDY.—The Federal Trade Commission shall conduct a comprehensive study of the degree, type, and pervasiveness of deceptive mail practices in conjunction with the sale of products or services related to governmental functions and the severity of the actual or potential consumer injury from such practices. In conducting the study, the Commission shall include an examination of—

(1) solicitations by non-governmental entities for the purchase of products or services which are in fact provided either free of charge or at a lower price by the Federal Government, and

(2) solicitations by non-governmental entities for the purchase of products or services which bear a seal, insignia, trade or brand name, or any other term or symbol implying Federal Government connection, approval, or endorsement.

(b) REPORT.—Not later than the expiration of 18 months after the date of the enactment of this Act, the Federal Trade Commission shall report to the Congress the results of the study under subsection (a). If the Commission finds that a rulemaking under the Federal Trade Commission Act respecting deceptive mail practices is warranted, the Commission shall, promptly after completion of the study, initiate a trade regulation rule proceeding respecting such practices, except that the Commission may proceed under section 553 of title 5, United States Code. If the Commission determines that a rulemaking respecting such practices is not warranted, it shall include in its report under this subsection its reasons for such determination.

Ms. SNOWE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Maine?

There was no objection.

Mr. WHITTAKER. Mr. Chairman, will the gentlewoman yield?

Ms. SNOWE. I yield to the gentleman from Kansas.

Mr. WHITTAKER. Mr. Chairman, I thank the gentlewoman for yielding.

The minority has no objection to the amendment.

Ms. SNOWE. I thank the gentleman for his support.

Mr. THOMAS A. LUKEN. Mr. Chairman, will the gentlewoman yield?

Ms. SNOWE. I yield to the gentleman from Ohio.

Mr. THOMAS A. LUKEN. Mr. Chairman, I thank the gentlewoman for yielding.

We have had an opportunity to review the amendment offered by the gentlewoman from Maine here on the majority side. We support the amendment.

It would be helpful to the consumer if the FTC would review such advertisements and determine if a rulemaking is appropriate.

Ms. SNOWE. I appreciate the chairman's comment, as well as the support of the chairman.

Mr. LENT. Mr. Chairman, will the gentlewoman yield?

Ms. SNOWE. I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I thank the gentlewoman for yielding to me.

I am pleased to advise the gentlewoman that the minority party has had an opportunity to review the amendment the gentlewoman offers, and we think it is a good amendment.

We are going to give it our support.

Ms. SNOWE. Mr. Chairman, I appreciate the gentleman's support and the support of the full committee, as well as the support of the subcommittees involved.

Mr. Chairman, the amendment I am offering today would require the Federal Trade Commission to conduct a study of deceptive mailings put out by shadowy profit making organizations.

The area of deceptive mailings is coming under increasing scrutiny by Congress. Just last week, several colleagues and I testified on legislation which I introduced and legislation introduced by the gentleman from Massachusetts [Mr. DONNELLY] to give greater authority to the Postal Service to evaluate and enforce regulations dealing with specific types of deceptive mailings.

Currently, the Postal Service has the authority to request sanctions

against organizations that are fraudulent in practice. Even with additional legislation, however, they could still only tackle the problem of deceptive mailings on a case-by-case basis. The Federal Trade Commission, on the other hand, is in a unique position as the principal Federal Consumer Protection Agency to address deceptive mailings on an industry wide scale.

My principal areas of concern are those in which a nongovernmental organization offers for a fee a service which is available either free of charge or at a lower fee from the Federal Government. Examples include the practice among some organizations of offering to obtain Social Security cards for a fee of from $7 to $12. Most often, these organizations do no more than the individual could do himself, and they leave the consumer many dollars poorer and still having to visit the Social Security office.

Still other organizations use symbols, seals, terms and trademarks that imply a government connection. In this way, they add legitimacy to their product by implying that their product is offered or endorsed by the Federal Government.

At this point, the pervasiveness of these practices, and the types of deceptive mailings, is known only anecdotally. For this reason, my amendment would require a study over an 18-month period to determine the extent of the problem of deceptive mailings. At the study's conclusion, the FTC would report to Congress on the results of the study and any need to initiate a trade regulation. To the extent that such a regulation is not warranted, they would indicate in their report the reasons for such a determination.

Mr. Chairman, given proper information, consumers will make informed choices. However, if they are misled either because they believe a product is endorsed by the Federal Government or because they believe the product only is available for a fee, then they cannot exercise good judgment.

Mr. Chairman, this study is an important effort in our efforts to block deceptive mail, and I urge adoption of my amendment.

Mr. LOWERY of California. Mr. Chairman, I rise to express my strong support for the amendment offered by my colleague from Maine. The problem of deceptive mailings deserves close scrutiny. Action must be taken to prevent unscrupulous businesses from implying that their product is endorsed or backed by the U.S. Government.

Thousands of my constituents in Dan Diego received a mailing within the last 2 weeks, asking them for a $25 homestead declaration—a declaration that is available to anyone for a $7 county recording fee.

The California-based firm calls itself the Home Owner Services Administration, Department of Homestead Assistance. And it puts that name on a close facsimile of the Department of Defense seal. Beneath the seal is an address in the State capitol of Sacramento and the note: "Official Business, Penalty for Private Use."

There is fine-print included in the contents of the mailing offering a disclaimer that the organization is not associated with the Government. The disclaimer hardly offsets the overwhelming impression that an organization in the Government is responsible for the mailing.

Mr. Chairman, the effect of this ruse against the public was that many frightened homeowners sent in their $25 for a document that is of dubious use and—if desired—is available through the Government.

Thankfully, the company inadvertently sent copies to the San Diego district attorney's office and steps have been taken to put a hold on mail from this organization. Postal authorities are investigating, but there seem to be few clearcut regulations for this type of activity.

It is time for Congress to gain an understanding of how pervasive the problem is and I commend the Subcommittee on Postal Personnel and Modernization for holding hearings on legislation to end such practices. I support the adoption of the Snowe amendment as an additional step toward consumer protection—I urge my colleagues to do the same.

Mr. PETRI. Mr. Chairman, I rise in support of the gentlewoman's amendment. I firmly believe that the FTC should take a good look at those organizations that charge a fee for those services.

I have received a number of letters from bewildered constituents who wonder why they have to pay to find out their Social Security earnings record. Others have written to find out why they have to send away for an expensive book which premises to tell them everything about government benefit programs.

The answer is, of course, that they don't have to pay and I am happy to tell them so. However, I wonder how many individuals have sent off their money in good faith without stopping to contact me or the local Social Security office. I am sure these people feel that the workings of the Federal Government are too big and too complex for them to try to get this information on their own.

I am a cosponsor of legislation which goes a step further than this amendment. It would require these mailings and advertisements to include a disclaimer stating that "The products or services offered in this advertisement are also provided either free of charge or at a lower fee by the Federal Government."

The amendment before us does not go quite that far. It simply requires that the Federal Trade Commission study these organizations to ensure that they are not deceiving the public about the services they offer. I urge my colleagues to support this amendment.

Mr. FRENZEL. Mr. Chairman, for many years, I have opposed the authorizations, and appropriations of the Federal Trade Commission in the belief that the FTC had rogue agency, a staff-dominated organization which was doing consumers far more harm than good. Nothing in the FTC's recent record has lead me to change that opinion.

The FTC's harrassment of medical groups in my area is vivid in memory. The requests for boxcars full of records to no good purpose other than to raise consumers' costs still aggravates.

I will still vote against this uncontrolled agency even though I know this body will collectively cast on undiscriminating vote of support.

I shall also vote to delete, the provision that transfers jurisdiction of airline adverstising to FTC. DOT's work leaves something to be desired, but shored responsibility with FTC would be suicidal. Its bad enough the taxpayers have to pay for FTC. Airline passengers should not have to pay for it again in terms of excessive regulation.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Maine [Ms. SNOWE].

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to title I?

If not, the Clerk will designate title II.

The text of title II is as follows:

TITLE II—AIRLINE PRACTICES

SEC. 201. REGULATION OF CERTAIN AIRLINE PRACTICES.

(a) REGULATION OF UNFAIR AND DECEPTIVE ACTS OR PRACTICES.—

(1) Section 5(a) (15 U.S.C. 45(a)) is amended—

(A) in paragraph (2), by striking out "(2) The Commission is hereby empowered and directed to prevent" and inserting in lieu thereof "(2) Except as provided in paragraphs (3) and (4), the Commission shall prevent", and

(B) by adding at the end the following:

"(4) The Commission shall prevent air carriers and foreign air carriers subject to the Federal Aviation Act of 1958 from using unfair or deceptive acts or practices in or affecting commerce.".

(2) In carrying out its authority under section 5(a)(4) of the Federal Trade Commission Act, the Federal Trade Commission shall promulgate a rule, in accordance with section 553 of title 5, United States Code, defining acts or practices in advertising by air carriers and foreign air carriers which are unfair or deceptive acts or practices. Such rule shall define advertising by such carriers as an unfair or deceptive act or practice if the advertising does not include a full, conspicuous, and understandable disclosure of the limitations or other restrictions applicable to the availability of tickets, specific fares, or other aspects of air carrier services. In promulgating the rule, the Commission shall require advertising which advertises a flight between two points to include the average on-time performance of flights between such points. The Federal Trade Commission shall promulgate the rule required by this paragraph within 180 days of the date of the enactment of this Act.

(b) UNDERSTANDING WITH SECRETARY OF TRANSPORTATION.—Within 180 days of the date of the enactment of this Act, the Federal Trade Commission and the Secretary of Transportation shall enter into a written understanding which defines the role of the Commission respecting unfair or deceptive acts or practices involving air carriers and foreign air carriers. The Commission shall submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Science, Commerce, and Transportation of the Senate a copy of the understanding entered into under this subsection.

PUBLIC WORKS AND TRANSPORTATION COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the Public Works and Transportation Committee amendment.

The Clerk read as follows:

Public Works and Transportation Committee amendment: Page 26, strike out line 12 and all that follows through line 7 on page 28.

Conform the bill to reflect the amendment striking title II of the bill.

Mr. MINETA. Mr. Chairman, I rise in support of this amendment of the Committee on Public Works and Transportation. This amendment would delete the provision in the Energy and Commerce Committee bill giving jurisdiction over deceptive acts and practices by airlines to the Federal Trade Commission. The amendment would leave this jurisdiction with the Department of Transportation. This amendment was reported by the Committee on Public Works and Transportation which received a sequential referral of H.R. 2897.

The issue of which agency will regulate airline advertising must be decided in the context of strong congressional concern over the recent deterioration in airline service.

From my perspective, the consumers and passengers of airlines are complaining and are concerned about airlines. They are not complaining about advertising.

I can assure you that the Committee on Public Works and Transportation shares the concerns about airline service and that we are doing something about the situation.

In the last week the House has passed two major bills reported by our committee. Last week the House passed, by a vote of 396 to 0, our bill reauthorizing the Airport and Airway Trust Fund Program and providing $28 billion for development of our airports and airways over the next 5 years. Earlier this week the House passed, by voice vote, our consumer protection bill. I strongly believe that these two major bills are the best way to improve airline service.

Service will not be improved by legislation which brings new committees into the act and which creates undesirable splits in authority between executive branch agencies.

There is no reason to believe that the Federal Trade Commission would do an effective job in regulating airline advertising practices. It has been widely recognized by State consumer protection officials, and by representatives of consumer groups, that the Federal Trade Commission has not been fulfilling its responsibility to regulate advertising and deceptive practices in other industries.

Similar sentiments have been expressed by our colleague Congressman FLORIO, chairman of the Subcommittee on Commerce, Consumer Protection and Competitiveness of the Committee on Energy and Commerce. Congressman FLORIO stated in an extension of remarks on February 5, 1986, that:

One of the saddest aspects of the Washington scene in recent years has been the failure of Federal agencies to enforce the law. . . . A good example of this is the backlash arising from the Federal Trade Commission's relaxed approach to advertising abuses. State and private litigants have moved into the enforcement void because the enforcement breakdown in Washington cannot and will not quell the public's demand for action to restrict abuse.

In view of FTC's failure to carry out its existing responsibilities, there is no reason to think that FTC would do a better job with airline advertising. Indeed, a recent press release suggests that FTC has already made up its mind that there is no need for strong regulation of airline advertising. The story quoted the FTC as saying that airline advertising guidelines proposed by the National Association of Attorneys General would "bury consumers in unnecessary disclosure."

Even if the FTC would regulate airline advertising effectively, it would be impractical to give FTC this authority. The Department of Transportation regulates airline advertising and deceptive practices as part of a comprehensive regulatory scheme under which DOT also has responsibility for such matters as aviation safety, international aviation, and anticompetitive practices. The Department of Transportation and the Office of Management and Budget have both taken the position that they oppose title II of this bill because it is impractical and undesirable to try to divide DOT's regulatory responsibilities between DOT and FTC. These considerations led the Congress to decide in the Civil Aeronautics Board Sunset Act of 1984 that the authority of the Civil Aeronautics Board over deceptive practices should be transferred to the Department of Transportation rather than to the Federal Trade Commission.

I would further note that the Energy and Commerce Committee's proposal would result in that committee gaining jurisdiction over an important area of civil aviation. This would reverse the decision which the House made in 1974 to transfer jurisdiction over civil aviation from the Committee on Energy and Commerce to the Committee on Public Works and Transportation.

In conclusion, Mr. Chairman, there is no reason to think that the Federal Trade Commission could do an effective job in regulating airline advertising. Giving this authority to the Federal Trade Commission would lead to an undesirable fragmentation of the regulatory responsibility over civil aviation, which includes the regulation of safety. I urge support of the amendment of the Committee on Public Works and Transportation which would leave authority to regulate airline advertising with the Department of Transportation.

□ 1300

Mr. HAMMERSCHMIDT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of this amendment. I recognize that many Members are dismayed and angry about air service. I share that dismay. But the solution is not to transfer jurisdiction from one committee to another or from one Government agency to another. The solution is to face the problem directly as we did Monday when we passed H.R. 3051, the Airline Passenger Protection Act of 1987.

I also am aware that many Members feel that the Department of Transportation [DOT] has not moved aggressively to stop the deterioration in airline service. But again, it will do no good to simply transfer DOT's responsibilities to the FTC. The FTC has a reputation for being even less aggressive than DOT in protecting consumers. Indeed, members of the Commerce Committee have been among the most vocal in their criticism of the FTC's lax enforcement efforts. It now seems odd that these same Members are urging that the FTC take over responsibilities in the aviation area as well.

It should also be pointed out that the consumer protection legislation which this body passed on Monday will have the effect of requiring DOT to substantially increase their resources to improve airline service quality.

There is another concern that we should not lose sight of. That concern is safety. Safety must always be our No. 1 priority. But this legislation could undermine that effort.

This bill transfers authority over all unfair and deceptive acts to the FTC, not just those involving advertising. When the DOT issued its passenger protection rule recently, it did so under the unfair and deceptive acts authority that would be transferred to FTC. In adopting this rule, DOT explained that it was careful not to take actions that would jeopardize safety. DOT has the expertise in this area. If the FTC were to take over this authority, it might unwittingly do something that would impact aviation safety because it has no expertise in this area. Regulations which provide incentives to compromise safety merely to improve the appearance of airline service quality could prove to be disastrous.

Several years ago, the Commerce Committee had jurisdiction over aviation. As part of the 1974 reorganization, that jurisdiction was transferred to the Public Works Committee. That arrangement has worked quite well.

However, the Commerce Committee reported the bill before us which transfers aviation consumer protection jurisdiction from the Public Works Committee back to the Commerce Committee. The Parliamentarian properly referred H.R. 2897 to the Public Works Committee. At the same time, the Public Works Committee reported out a comprehensive aviation consumer bill—H.R. 3051. The Commerce Committee sought a referral of the Public Works bill but the request was rejected by the Parliamentarian. This sequence of events demonstrates that jurisdiction over aviation properly resides in the Public Works and Transportation Committee. I urge my colleagues to support this amendment that would maintain this jurisdictional arrangement.

For all these reasons, I urge my colleagues to support this amendment in order to keep the jurisdiction with the committee and agency that have the experitse.

Mr. THOMAS A. LUKEN. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, there is one salient point that I do not think has been made here today and has been confused even a little in the debate, when earlier I think the speakers on the other side suggested that this was a contest not only between committees, but between executive agencies. As a matter of fact, as we all know, the Federal Trade Commission is an independent agency. You might consider it an arm of the Congress, rather than an executive agency, and as such it provides a certain continuity. It is not just by happenstance that the Federal Trade Commission has these crucial jurisdictions of consumer protection, and in this case of overseeing false and deceptive advertising; so that is not the issue, deciding between committees, but between the agencies, if we are forced to that, it would have to come, although as we have pointed out on this side it is true that we are not really changing anything. They have had overlapping jurisdictions, and all we are doing in this is to say to the two agencies to sit down and work it out, and obviously the proper place for the advertising is in the Federal Trade Commission.

So if there is that choice to be made, we go for the independent agency with the continuity, the Federal Trade Commission.

Another argument has been made which shows the desperation of those on the other side, and that is the argument that somehow this is a matter of safety, as if advertising had something to do with safety. Well, if it does, they have ignored the fact that the FDA and the FTC, and I think the FDA, the Food and Drug Administration, has more than a little to do with safety. The FDA and the FTC have a written memorandum of understanding and agreement on their joint overseeing of the jurisdiction of the FDA with the FTC controlling the advertising.

It is also true informally that the FTC works with NITSA in another area just slightly involved in safety.

Another one is the Bureau of Alcohol, Tobacco and Firearms and the Consumer Product Safety Commission; so there is ample support for exactly what we are doing here, the logical thing to do, and that is where there are overlapping jurisdictions, as there are, that we tell the agencies to sit down and do the logical thing and say to the agency with the expertise, the history of overseeing consumer affairs, "You look after the advertising."

As a matter of fact, the bill, the so-called Airline Passenger Protection Act that passed here and it came from the Public Works Commission really just takes a dab, it just makes a feint at the question of advertising. It does not say, as the bill does here, that the FTC should go into rulemaking and should look at the whole subject of unfair and deceptive acts and practices and specifically to include a full and conspicious and understandable disclosure of the limitations and other restrictions. That is a general and a specific injunction in our bill to the FTC to control advertising in a logical and protective way, protective for the consumer.

On the other hand, the so-called Airline Passenger Protection Act has a very scant reference to advertising, and all it does as it says that such promotion, advertising for tickets, should show whether the flights are available, whether the seats are available. That is a very limited application. It does not get into, for example, the false and deceptive advertising which is so prevalent with regard to packages. A member of our staff called just today about an ad in the New York Times and called the airline and said they wanted to take advantage of this package to Hawaii. Well, my staff was advised, "You can't get on this package until you've got reservations in the hotel," and then she was advised that there are no reservations in the hotel in Hawaii, and by the time there are reservations in the hotel available, then the bargain offered has already expired. That is what we have been finding. That is what the gentleman from Minnesota [Mr. SIKORSKI] found when he made the call. We only made these calls pursuant to consumer complaints, consumers who have testifed before the committee.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. THOMAS A. LUKEN was allowed to proceed for 3 additional minutes.)

Mr. THOMAS A. LUKEN. And now on the subject of consumers, there is another argument that shows the desperation of our opponents. They actually are constrained and have put it in the report to suggest that the consumers are with them. Well, the facts are that the airlines are with them, but the consumers are with us.

□ 1315

Here we have the same Consumers Union, the same Consumers Union that they criticized. Sure, the Consumers Union criticized the FTC. Members on this side of the aisle have criticized the FTC. Yogi Berra, or somebody, said nobody is perfect, and nobody over here is going to say that the FTC under this administration is perfect. Far from it. But they are a lot better than the Department of Transportation, and no one can say anything different with reference to advertising and control of false and deceptive advertising.

If there is any question about where the consuemrs actually stand, we have a letter of September 28, 1987, from the Consumers Union which shows the same gentleman who is quoted in the Public Works and Transportation Committee report on their bill, the same Mr. Mark Silbergeld, who gives a very good treatise, a brief, showing why the Federal Trade Commission should have the jurisdiction and not the Department of Transportation, showing why the Federal Trade Commission with its broad undergirding, its framework of power and authority and of history and tradition and of organization, that it can deal with these abusive practices. I quote:

> Legislation addressing airline advertising should grant broad, flexible rulemaking authority to an agency with experience in rulemaking and in regulating advertising.

That is the authority that the Public Works and Transportation Committee just appealed to. September 28, 1987, this gives a detailed treatise, a detailed analysis on various points as to why the FTC is capable and should be given, in the name of protecting the consumer, should be given this jurisdiction.

Members, I think it is clear that whether we are talking about jurisdiction or whether we are talking about protecting the consumer, whether we are talking about who can do the job, there is no question that on balance the FTC is the agency which has the tradition, which in the future we can look to under any administration, which we can look to with having the 500 lawyers, to having the consumer bureau, to having the experience of regulating advertising, the experience of knowing what false and deceptive advertising is, the experience of going out and making surveys, of taking the initiative. Whoever heard of the De-

partment of Transportation with their 9 employees taking initiatives?

Mr. PETRI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the gentleman's amendment. I believe that there is full justification for maintaining the Department of Transportation's regulatory authority over deceptive acts and practices in the air travel industry.

There a number of areas in which DOT must combine its authority to regulate unfair and deceptive practices with other regulatory authority. For example, there is the problem of so-called economic cancellations where a flight appears to be canceled simply because there are insufficient passengers.

DOT has decided in the past that failure to operate scheduled service constitutes deceptive advertising. However, I do not believe that we wish to create a situation where a prohibition on arbitrary flight cancellations includes any kind of cancellation, even that which is due to safety reasons. Joint jurisdiction between the Federal Trade Commission and the Department of Transportation may well wind up jeopardizing the public safety rather than enhancing consumer protection.

After all, how is the FTC supposed to tell the difference between an economic cancellation and a safety cancellation? It is the Department of Transportation that knows what the weather conditions are and what mechanical difficulties airlines may encounter. It is the Department of Transportation that can define the terms so as to ensure that the public good and the public safety remain one and the same.

I can certainly understand the concern of those who feel that the airlines are abitrarily canceling their flights. In response to this concern, DOT is implementing new flight reporting requirements and the House has passed legislation aimed at curbing such practices. Certainly, airlines should be encouraged to see that consumers are well-treated. I believe that the new reporting requirements will help and that the Public Works Committee should continue oversight of this important issue.

When Congress passed the CAB sunset legislation, transferring all of that agency's regulatory functions to DOT was a conscious decision on our part. It was a clear case where two agencies are not better than one. I see no reason to change that decision now, and I urge my colleagues to support this amendment.

Mr. FLORIO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think all are concerned about the bottom line, which is to provide consumer protection to people who fly on airlines, to protect them from unfair or deceptive advertising. The question is how best to do that.

The approach the Department of Transportation has taken is to wait for people to be injured and then send out investigators, and not very many of them. The record is that they have investigated some 30 different injuries that have allegedly occurred out of the thousands and thousands of complaints they have received. This is an after-the-fact investigatory approach.

The approach the FTC bill contains within it is to have a mandatory prospective rulemaking undertaken, spelling out the appropriate course of conduct that the airline will be held to. There is no need for consumers to be injured in order to have a remedy. I think that is very important.

The rulemaking process will spell out the appropriate course of conduct for the airlines to adhere to and therefore, if there is one violation, the whole practice will be penalized. It is a very important point to emphasize.

Do we want to be asking our constituents to endure injury before anyone takes any action, or do we want to spell out a prospective course of conduct inherent in the rulemaking process?

Much has been made by supporters of the amendment of the gentleman from California [Mr. MINETA] of the criticism that a number of us, myself included, have made of the FTC. What is not being appreciated is that criticism has been made in the context of advocating this legislation, that this legislation with title II included in it is designed to address the legitimate criticisms that many of us have made about the FTC's policies over the last number of years.

What we are doing is removing the discretion that in the past the FTC has used not to do what we think is appropriate to ensure a free and a fair marketplace. Title II is quite consistent with that approach. We do not give the agency the discretion to take action as the DOT has; rather, what we do is mandate that this rulemaking will be undertaken and that the industry will be charged with complying with the course of conduct in the area of unfair and deceptive advertising that is spelled out.

The last point I would like to make is the point the gentleman from Ohio made that if anyone has any doubts about how consumer organizations feel, it is obvious and beyond dispute that the consumer organizations have said that the existing system whereby DOT has this authority, without any input from the FTC, is unsatisfactory and therefore they are advocating and supporting and working very hard to ensure that title II of this bill is passed into law so we can deal with the legitimate concerns of consumers in the area of unfair and deceptive airline advertising.

Mr. SKAGGS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in strong support of the amendment offered by my distinguished chairman, Mr. MINETA.

With air travel at an alltime high, it is important for consumers to have confidence in our Nation's air transportation system. Under current law, the Department of Transportation has sole regulatory authority over all aspects of the airline industry. An integral part of this mandate is the regulation of deceptive practices in the sale of airline tickets. In carrying out its responsibilities to regulate unfair and deceptive practices, the Department is required by law to address the relationship between air safety and airline advertising practices.

In 1984, the Congress considered and rejected a similar proposal to transfer this authority from the Civil Aeronautics Board, which was being abolished, to the Federal Trade Commission. The 98th Congress endorsed the position of the Committee on Public Works and Transportation that the Department of Transportation was the most appropriate agency to take over the consumer protection and unfair competition responsibility from the CAB. Congress concluded that it would be confusing and inefficient to have DOT protect consumers in some areas and another agency, such as FTC, protect consumers in other domestic operations.

Circumstances have not changed during the last 3 years. It still makes sense to keep regulation of all aspects of the airline industry in one department. Transferring the regulation of airline advertising to the FTC, and providing for the regulation of other consumer matters by both the DOT and the FTC, would result in a duplicative and confusing scheme.

It seems surprising to me that the Committee on Energy and Commerce would conclude that the FTC is better able to regulate deceptive advertising by air carriers than the DOT is. The FTC has been repeatedly criticized for failing to use its existing authority to regulate advertising in other industries. In fact, the Chairman of the Energy and Commerce Subcommittee on Consumer Protection has been critical of the FTC's "relaxed approach to advertising abuses."

The FTC itself has said that it is "unaware of any evidence indicating that airline fare advertising, frequent flier programs or overbooking compensation policies are generally unfair or deceptive." I don't believe that we

should turn over authority to regulate this area to an agency that is on the record as saying there is no problem.

Finally, and most importantly, creating dual jurisdiction between these two departments will confound consumers, not help them. If we agree to this bifurcated authority, a consumer who has a complaint will likely be shuffled back and forth between the two agencies, with each disclaiming any responsibility for the problem. It will create a classic bureaucratic standoff. This House just passed legislation aimed at providing more protection for airline passengers and placed the authority to ensure that those passengers receive proper service with the DOT. Safety and consumer protection dictate that we keep all regulatory authority in one department.

I urge my colleagues to support this worthy amendment.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. SKAGGS. I am happy to yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I thought I heard the gentleman say during his statement in support of the amendment that he felt the Department of Transportation ought to continue to have exclusive jurisdiction over false and deceptive advertising. We have a statement from the gentleman made on the floor on Monday where the gentleman said, "Although the Department of Transportation has had rulemaking authority to maintain reasonable standards for air travel since deregulation, it has not done enough to protect airline consumers."

I would just say I agree with the gentleman's statement, which he made last Monday, more so than I agree with the gentleman's statement today. Perhaps he would like to clarify the statement he made today.

Mr. SKAGGS. I would love to, and would hope for the gentleman's agreement today as well.

Mr. GINGRICH. Mr. Chairman, will the gentleman yield?

Mr. SKAGGS. I yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Chairman, I want to say to the gentleman from New York, my good friend, I believe if he will check the gentleman's statement in context it was precisely in the process of holding hearings, writing a bill and then passing a bill this last Monday which dramatically strengthens the Department of Transportation's orders to work in this area, that the gentleman was in context, and I think the point you just made for us, that precisely because on the Public Works and Transportation Committee they came to the conclusion that DOT had to do a better job, we have already in this House passed a bill to substantially increase the requirements for DOT to do a good job.

Mr. LENT. Mr. Chairman, will the gentleman yield further?

Mr. SKAGGS. I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I would simply say to my colleague we can leave the authority to the DOT, but if they only have 12 people working on the problem, and there are 30,000 complaints, they are not going to be able to do an effective job. The Federal Trade Commission, on the other hand, has the expertise, the manpower, and the background to do a good job on airline advertising.

Mr. SKAGGS. If I can take back my time, I understand there is a good deal of disagreement as to, one, the staff of the DOT, which is somewhat larger than the 12 that were referred to, and also the dedicated staff that the FTC has really available to deal with this problem, which is much smaller than the gentleman might have suggested.

I yield back the balance of my time.

Mr. MOLINARI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to address the issue that was brought up by the gentleman from New York [Mr. LENT] on the question of the Department of Transportation. I do not know that there is a Member in either House that has been more critical of the Department of Transportation than myself. I do not believe they have done the job over the years. As a matter of fact, when Mrs. Dole left last month I publicly criticized her and her Department for failing to act.

Having said all of that, I think we must recognize if we look at title II more carefully we should understand we are not talking simply about advertising.

Paragraph 4 talks about giving the FTC the power to prevent them from using unfair or deceptive acts or practices in or affecting commerce. That goes beyond the advertising concept.

□ 1330

Now I would be the first one to admit and to believe that our committee, the Committee on Public Works and Transportation, has not moved fast enough. The consumers throughout this country have been screaming for help for a long time. But we finally did get moving and we finally moved a bill and when that bill came out of our committee, it was a great deal tougher on the industry than I ever expected. We finally put together a bill that had some solid teeth in it. It seems ironic that only a couple of days after unanimous passage of that bill, today we are going to take a step backward and take part of that jurisdiction and move it to the FTC. It does not make a bit of sense to me. I can tell you with great conviction that the issue of airline safety is a very difficult and complex one and you cannot separate it out and apart from consumer advertising, unfair practices. If you do that and you give it to an agency that has no experience or authority whatsoever historically you are going to be committing a very serious mistake and perhaps the very goal that you are seeking to address here today you are going to be ending up in the opposite direction.

I appeal to you, give us a chance. We are now moving and we are moving with conviction. We have put together a tough bill. I think we can look forward to our committee, the Committee on Public Works and Transportation, addressing the issue at more length as required and as we move down the line.

Please, at this point I ask the body not to permit us to take a step backward after what we have just concluded, after 1½ or 2 years of hearings.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I would be glad to yield to the gentleman from New York [Mr. LENT].

Mr. LENT. I thank the gentleman for yielding.

Mr. Chairman, let me say first of all, I have admired and looked up to the gentleman and responded to his leadership in connection with this whole question of airline safety. I think the gentleman is to be commended. The bill that passed last week, H.R. 3051, the Airline Passenger Protection Act, does make a number of needed reforms in the area of regulation of airline practices.

We feel, however, that the very brief reference to this question of false and misleading advertisement which is contained in that legislation on page 16, barely a paragraph, is hardly enough.

I just want to ask the gentleman: How is the DOT going to do a better job and carry out its responsibilities with respect to misleading and perhaps even fraudulent advertisements when we asked the Department of Transportation during hearings—and our committee has had a number of hearings as the gentleman knows on this issue—"How many personnel at your Department are detailed to aviation consumer complaints?" And here was their answer: "Twelve full-time professional employees staff the offices' Consumer Affairs and Investigation Division."

Now we have been saying 12, the other side has been saying it is a lot more than 12. I do not know how many people they have working at the Department of Transportation. Maybe it is 30,000 or 40,000. Only 12, by the Department of Transportation's own statement given to us during a hearing, are working on the problem of consumer complaints. We can pass all the laws we want, but if they have

only 12 people there to implement those laws, we are not going to make any difference.

Mr. MOLINARI. I would agree with the gentleman from New York. In responding to that question, let me say the answer to that is easy. The legislation that we passed would mandate that they are going to have to put in place the proper resources to carry out the intent of our law. If it requires 20 or 25, that is the number that would be put together.

The CHAIRMAN. The time of the gentleman from New York [Mr. MOLINARI] has expired.

(On request of Mr. MINETA and by unanimous consent, Mr. MOLINARI was allowed to proceed for 2 additional minutes.)

Mr. MINETA. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I will be glad to yield to the gentleman from California [Mr. MINETA].

Mr. MINETA. I thank the gentleman for yielding.

It is my understanding, also, that there are only 18 at the Federal Trade Commission dealing with advertising as a subject alone.

Mr. MOLINARI. That is a good point. I am not aware of that number, Mr. MINETA, but certainly those 18 or whatever number of them there might be, they do not know the area that we are talking about, and they would be learning from ground zero.

Mr. LENT. Mr. Chairman, would the gentleman yield?

Mr. MOLINARI. I yield to the gentleman from New York [Mr. LENT].

Mr. LENT. I thank the gentleman for yielding.

Let us just clarify some issues. We know from the record of the hearings that there are 12 people at the Department of Transportation that are working on the 20,000 or 30,000 the Department has received. At the Federal Trade Commission, here are the figures: They have a total number of employees of 1,014. Obviously, they are not all working on this problem. But in their Bureau of Consumer Affairs, where DOT has 12, FTC has 400 people at work of whom 150 are attorneys.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I yield to the chairman of the committee.

Mr. HOWARD. I thank the gentleman for yielding.

Mr. Chairman, the point we are making is that at the FTC they have only 18 lawyers working on advertising and deceptive advertising of all the businesses in the country with the exception of the very few that are exempt.

Mr. MOLINARI. I think the chairman makes a good point. I think we should not play games with numbers here frankly; the issue is too important. It is not a question of whether there is 12 or 18 on line, the issue is what do we need to do to address the problems that are real out there. But please let us not confuse what we are doing today with that very critical issue of aviation safety. That is my chief concern and that is why I am here and support the amendment of the gentleman from California.

Mr. BILIRAKIS. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I would be glad to yield to the gentleman from Florida [Mr. BILIRAKIS].

Mr. BILIRAKIS. I thank the gentleman for yielding.

Mr. Chairman, referring to the bill that the gentleman referred to, H.R. 3051, which passed on voice vote the other day, as I look at the bill very quickly, page 16, section 1706 entitled "Advertising Requirements," is the only portion of the bill that has anything at all to do with advertising.

The CHAIRMAN. The time of the gentleman from New York [Mr. MOLINARI] has expired.

(On request of Mr. BILIRAKIS and by unanimous consent, Mr. MOLINARI was allowed to proceed for 2 additional minutes.)

Mr. BILIRAKIS. Mr. Chairman, will the gentleman continue to yield?

Mr. MOLINARI. I yield to the gentleman.

Mr. BILIRAKIS. I thank the gentleman for yielding further.

Mr. Chairman, I do not really see where this is the answer to the situation, where this is a panacea. But I would go further. During the general debate, I read comments from the DOT Office of the Secretary, that the Airline Service Quality Performance, volume 52, No. 111, dated June 10, 1987, at page 22058. What basically these comments say, "It may be advisable," that is the DOT, "It may be advisable to seek legislation that would extend the FTC's jursidiction to cover airlines and thereby give that agency concurrent consumer jurisdiction with the Department. At the time of the CAB sunset, the Department took the position that the FTC was the appropriate agency to have responsibility for consumer protection. This alternative would have the advantage of enabling the FTC to apply its consumer protection expertise to the aviation industry."

The Department itself was coming right out and telling us, they do not have the expertise, they do not think they should retain it, they think there should be concurrent jurisdiction. And that is exactly what my amendment does as far as the bill that is on the floor is concerned.

I mean, are we trying to shove something down the throats of an agency that really does not want the jurisdiction, does not really have the expertise, does not have the personnel, that sort of thing? I do not think we should do that. That is not the role of Congress.

Mr. MOLINARI. If I may just respond to the gentleman from Florida, I do not think it is a question of lack of expertise. I think they moved slowly, I think they needed a kick in the fanny by the Congress and we did give them that kick. I think we have them moving now. Now that we have them moving, I am saying this is the wrong time after this momentous step that we took and voted out a tough bill for the first time for the consumers of this Nation, we should not now split off that jurisdiction after we have taken the step that we have. I think the timing of this is atrocious. I would say let it go for a year and then next year at this time if we do not see it being implemented the way that we feel it should, then let us consider this alternative.

The CHAIRMAN. The time of the gentleman from New York [Mr. MOLINARI] has again expired.

(On the request of Mr. MOORHEAD and by unanimous consent, Mr. MOLINARI was allowed to proceed for 2 additional minutes.)

Mr. MOORHEAD. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I yield to the gentleman.

Mr. MOORHEAD. I thank the gentleman for yielding.

I think the big issue here is that the Department of Transportation, even if they are included to do a good job, does not have the staff or the expertise to do the job of regulating properly.

The FTC will be required by title II to promulgate a rule, within 180 days, that defines as deceptive any advertisement that does not include a "full, conspicuous, and understandable" disclosure of the limitations or other restrictions applicable to the availability of discount fares. The Commission must also require advertising which advertises a flight between two points to include the average on time performance of the flight between such points.

I think it is very clear that the FTC is much better prepared to do a good job in this area and I certainly ask for an "no" vote on the gentleman's amendment.

Mr. BILIRAKIS. Mr. Chairman, will the gentleman yield further?

Mr. MOLINARI. I yield to the gentleman from Florida.

Mr. BILIRAKIS. I thank the gentleman for yielding.

Mr. Chairman, again referring back to H.R. 3051, I think the gentleman would admit there are a lot of good things in there, but the advertising portion does not go far enough.

I would suggest even though that was not referred to Energy and Com-

merce and it should not have been, I suppose, because we did not have the jurisdiction although these other areas involved in deceptive practices and advertising have been, this other legislation; if this had come on the floor through a means other than under suspension with an open rule type of thing so we had the opportunity at least to bring in our points, the improvements that we have done by virtue of the FTC reauthorization bill, it may have been a different situation. We did not have that opportunity and we feel it just does not go far enough.

Mr. STANGELAND. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I would be glad to yield to my colleague.

Mr. STANGELAND. I thank the gentleman for yielding.

Mr. Chairman, I just want to say I rise in strong support of this amendment to strike title II.

The CHAIRMAN. The time of the gentleman from New York [Mr. MOLINARI] has expired.

(On request of Mr. STANGELAND and by unanimous consent, Mr. MOLINARI was allowed to proceed for 4 additional minutes.)

Mr. STANGELAND. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I yield to the gentleman.

Mr. STANGELAND. I thank the gentleman for yielding.

Let me inform the committee that when H.R. 3051 was marked up from Committee on Public Works, I offered an amendment that would prevent the States from participating in certain things that the committee decided the airlines should do, such as printing arrivals, departures, baggage records, and a whole list of other things that we thought the airlines ought to do for consumer protection.

After I had offered that amendment, it was accepted. The attorney general of the State of Minnesota contacted me on behalf of all the attorneys general, very concerned that the preemptive language might preempt them from being involved in airline advertising, deceptive advertising, things that normally and naturally the States can handle.

Even the attorney general of California contacted the chairman of the subcommittee, concerned about that preemptive language. And we assured him that in no way did that preemptive language preclude them from dealing in the areas that they could deal with, which is advertising deception, fraudulent advertising, whatever. The States can handle the advertising with the DOT and I think it is wrong for us in this bill to divide the jurisdiction between the FTC and DOT.

I just ask my colleagues to support the gentleman from California, support his amendment, strike title II.

I am confident the gentleman from California, the chairman of the Aviation Subcommittee, the ranking member from Georgia, Mr. GINGRICH, will supervise and oversee the DOT in what they do in airline advertising. And it is wrong, it is in error for us to divide that jurisdiction and have multiple jurisdictions among the bureaucracy.

I urge a "yes" vote for the amendment of the gentleman from California and I thank the gentleman from New York for yielding.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I yield to the gentleman from New York [Mr. LENT].

Mr. LENT. I thank the gentleman for yielding.

Mr. Chairman, I am troubled by what the gentleman from Minnesota just said, about not having jurisdiction divided. I thought the gentleman was citing the State attorneys general's letter that there should be 50 different false and misleading advertising regulations from each of the States.

Mr. MOLINARI. If the gentleman wants to respond I would be more than happy to yield.

Mr. STANGELAND. I would be more than happy to respond. I think this is appropriate for the States to check the advertising in their States. I think the DOT has the responsibility to set an overall broad parameter. But what you are doing to give this to the FTC could well usurp the States rights in checking faulty, deceptive, fraudulent advertising in their States.

The attorneys general of this country are well prepared and ready to take on any faulty, deceptive, fraudulent advertising.

Mr. LENT. I think the gentleman is making my point: the attorneys general of the 50 States are ready to get into this fray and make 50 different rules, regulations and laws for airline advertising.

Here is what the attorney general of the State of Florida said:

> The absence of effective federal regulation in this area has prompted increased interest by state authorities to engage in regulating air carrier advertising.

In other words, what is happening here is there is a vacuum that has been created by the Department of Transportation's failure to carry out this function.

So not only are we talking about the Federal Trade Commission getting into this, but also the 50 State legislatures and that would be a tremendous mistake. We would really have a Balkanization.

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The CHAIRMAN. The time of the gentleman from New York [Mr. MOLINARI] has expired.

(On request of Mr. STANGELAND, and by unanimous consent, Mr. MOLINARI was allowed to proceed for 2 additional minutes.)

Mr. STANGELAND. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. Mr. Chairman, I yield to the gentleman from Minnesota.

Mr. STANGELAND. Is it the position of the gentleman from New York that now he wants to preempt the State authority and rights to regulate advertising and give it all to the Federal Trade Commission; and to my colleague who preceded me here at the podium who says the Department of Transportation is not prepared, I just ask the question, Is the Federal Trade Commission prepared? Has the Federal Trade Commission done such a magnanimous job in their responsibilities that they are now ready to take on new responsibilities?

I say no.

I say support the gentleman from California. Vote aye on the Mineta amendment. Let us strike title II.

As the gentleman from New York [Mr. MOLINARI] has suggested in a year if this has not worked, let us take a look at another alternative.

Mr. LENT. Mr. Chairmnan, will the gentleman yield?

Mr. MOLINARI. Mr. Chairman, I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, wherever there is advertising that is across State lines, the jurisdiction of the Federal agency would in fact preempt. The individual States have jurisdiction through their attorneys general to regulate intrastate advertising, but here where we are talking about airline regulation, where the airlines crisscross America and go all over the world, it is a far better remedy to have one form of advertising or one regulation coming from the Federal level.

If we pass the bill the way it is now without striking out title II, an understanding or cooperative agreement between the FTC and the DOT will be entered into. It is called for in title II. That is an agreement between the Department of Transportation, which is not doing the job, and the Federal Trade Commission, which is established expressly for that purpose. That is far better than leaving this vacuum so that 50 different States have to come in and pass conflicting, confusing statutes. How is someone going to advertise for airlines in the Washington Post or New York Times under those circumstances?

The CHAIRMAN. The time of the gentleman frrm New York [Mr. MOLINARI] has expired.

(By unanimous consent, Mr. MOLINARI was allowed to proceed for 2 additional minutes.)

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I am glad to yield to the gentleman from New York.

Mr. LENT. How is anyone going to advertise in the newspapers or on television that are involved in interstate commerce if there are 50 different sets of rules and regulations that are balkanizing the advertising industry?

Mr. GINGRICH. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I am glad to yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Chairman, I would just say to my good friend from New York [Mr. LENT] if the situation were as he described it, I would vote with him, but the fact is that first of all on Monday we passed a bill which takes the right direction. Second, even in the short time that we have been aggressively pursuing this over the last year, the Department of Transportation increased the total number of people involved in one way or another with this issue to 36 people from the 12 that were testified in your subcommittee. Furthermore, I would just suggest that the Federal Trade Commission has more than enough specific areas of consumer complaint and that in fact there are more people currently involved in one way or another at the Department of Transportation on this issue than the total number of people in the specific office involved with advertising deception at the Federal Trade Commission.

Mr. Chairman, if we had not done anything, if we had not passed a bill on this past Monday, if we had not held the hearings, and if the Department of Transportation were not doing its job, I would agree with the gentleman from New York, but I think we have taken tremendous strides in the last year. I think the gentleman from New York [Mr. LENT], who has certainly been an aggressive critic of the Department of Transportation will testify that we are making progress, and I strongly urge support for the Mineta amendment.

I thank the gentleman for yielding.

Mr. MOLINARI. Mr. Chairman, I yield back the balance of my time.

Mr. WYDEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will be very brief, and I want to make just one point to my colleagues. That point is that without the language that is now in the bill we will be regulating all the small businesses in this country, the drugstores and the hardware stores, and more significantly with respect to false advertising than we would be regulating the airlines. For example, by Federal Tradfe Commission rule, when a drugstore advertises that it has a sale on toothpaste at 39 cents a tube, that drugstore is required to maintain a certain number of tubes of toothpaste that they are prepared to sell at that price and must provide that product to the consumer at the advertised price even if the stocks are depleted.

No such regulation applies in any way to false advertising in the airline area.

So let us be very clear, without the language in this bill with respect to false advertising, the small businesses in all of our districts, the drugstores and the hardware stores, will be more significantly regulated than the airlines.

The vote today, and the vote for consumers is to support the language in the bill, and I yield back the balance of my time.

Mr. SHAW. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, Matthew 6:24 tells us that "no man can serve two masters: For either he will hate the one, and love the other; or else will hold to the one, and despise the other."

This teaching also applies to regulatory ageancies. When an industry must answer to more than one agency they quite often use the demands of one as an excuse for not meeting the requirements of the other. Jurisdiction becomes confused and otherwise simple questions must be settled in the courts.

The aviation industry is currently regulated by the Federal Aviation Administration. H.R. 3051 which this body approved on Monday clarifies the responsibility of FAA to prevent unfair and deceptive trade practices by air carriers. Bringing a second agency, particularly one which does not share FAA's preoccupation with safety, will only complicate our air traffic system and lead to hardship for both air carriers and passengers.

The best that we may hope for from the provisions of title II of this bill is frequent, protracted legal debates as to whose regulations apply in various situations. The worst that might happen is that an airline may place a higher priority on passenger service than on passenger safety. Taking off on time is no bargain if you never arrive at your destination.

My colleagues, I urge you to support the amendment of the Public Works Committee and delete title II from this bill.

Mr. VISCLOSKY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by my colleague from California which would strike title II of H.R. 2897. As it currently stands, I believe title II would have an adverse effect on aviation safety by splitting the authority for aviation matters between the Department of Transportation [DOT] and the Federal Trade Commission [FTC].

I commend the sponsors of H.R. 2897 for their concern that airlines must not be allowed to continue the practice of deceptive advertising practices. I do not believe, however, that this state of affairs will be rectified by creating a confusing overlap of jurisdiction for this problem between two Federal agencies.

The administration agrees. A statement of administration policy released on October 5 stated that title II "would inappropriately fragment regulation of air carriers' advertising and consumer protection * * *." At this critical time in the history of our air transporation system, I believe we should be seeking greater efficiency, not implement a new regulatory structure which would result in administrative chaos.

Mr. Chairman, the Department of Transportation's authority over aviation is part of a comprehensive program in which the issues of safety, competitivenes, and consumer protection are purposefully intertwined. If matters of consumer protection become separated or preeminent in some way, we run a significant risk of allowing unsafe planes to fly. Likewise, airline competitiveness would be significantly unbalanced if the regulation of computer reservation systems were to be split between two Federal agencies.

Finally, I would like to mention that there is no evidence that the Federal Trade Commission would adequately enforce airline consumer regulations. In fact, the FTC has been highly critized in recent years for its lax and ineffective approach in handling deceptive advertising practices. Now is not the time to be transferring the authority for aviation advertising to an agency which has failed to protect the public in other industries.

Mr. Chairman, the jurisdictional changes of title II are not justified at this time. I urge my colleagues to support the amendment to strike this title so that we might seek to solve the problems of aviation in a comprehensive and reasonable manner.

Mr. RITTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think for many Members in this body who are not on the Committee on Public Works and Transportation, or on the Committee on Energy and Commerce, the issue boils down to a simple question: Do my colleagues believe that the way the airlines are doing business today and the kind of claims that are being made are anywhere near reality of the service that we are getting?

If my colleagues believe everything is great, that your constituents are being well served, that the claims that are seen on television are anywhere near accurate, go right ahead, vote for the Mineta amendment.

But if my colleagues are wondering about what has happened to airline service in the United States, that my colleagues are thinking twice about that, and have been burned like so many of our constituents, vote down the Mineta amendment.

Mr. BOUCHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. BOUCHER. Mr. Chairman, title II of this bill revokes an exemption that the airline industry has enjoyed for 50 years from FTC regulation of unfair and deceptive acts and practices. At one time, this exemption was justificable and made sense. The CAB for most of that period exercised authority over unfair and deceptive acts and practices as a part of its overall economic regulation of the industry.

That economic regulation however, is a thing of the past. The airline industry has been deregulated, and with that deregulation has come a new set of competitive pressures that have led to widespread consumer abuses. These include unfair and deceptive airline advertising, but consumer problems go well beyond that—to abuses in so-called supersaver promotions, frequent-flyer programs, and a variety of other unsavory practices that have helped to earn this industry the American people's disdain and distrust.

The agency of the Government that, since 1914, has been charged with protecting consumers against unfair and deceptive acts and practices affecting commerce has been the FTC. There is no reason why the airline industry, now deregulated, should continue to enjoy an exemption from the FTC's jurisdiction over these matters.

When the CAB was abolished, its consumer protection authorities were transferred to the Department of Transportation. DOT never wanted this responsibility and opposed such a transfer. Experience demonstrates that the transfer was a mistake. DOT's performance in this area has been abysmal, to say the least.

In the first 8 months of 1987, DOT received 19,410 consumer complaints—52 percent more than in all of 1986. These complaints run the gamut of everything from lousy food to lost luggage, but a significant number entail what are commonly recognized as unfair and deceptive acts and practices—false or misleading advertising, inability to comprehend limitations and restrictions applicable to advertised fares, and so forth.

Has DOT handled this problem effectively? No, the mounting consumer frustration with the industry speaks for itself when it comes to assessing DOT's response. I can't help but be amused by those, including DOT itself, who argue that giving FTC this authority will not help consumers. Apparently, the consumer groups don't agree, as shown by the Consumers Union/consumer Federation of America's endorsement of this bill.

Let's put a collective stop to this industry's outrageous advertising behavior. Support title II of the bill, and defeat this amendment.

Mr. BILIRAKIS. Mr. Chairman, I move to strike the requisite number of words, and rise in opposition to the Mineta amendment.

Mr. Chairman, I have four points to make very quickly, if I might, because we are sort of bringing back much of the general debate here.

First of all, I think it is significant that my colleagues know, Mr. Chairman, that this has been called a power grab, we have talked about jurisdiction, turf battle, turf fight, that sort of thing.

Mr. Chairman, I would say to my colleagues that when I introduced the amendment in the Committee on Energy and Commerce, and in the Committee on Public Works and Transportation, it took the gentleman from Michigan [Mr. DINGELL], the chairman of the Committee on Energy and Commerce, completely by surprise. It was not a power grab on his part, it was not intended to be a power grab as far as the Committee on Energy and Commerce was concerned. It was intended to be a piece of consumer legislation that was introduced by me, a relatively naive, relatively junior Member of the U.S. Congress who does not concern himself with things like power grabs, jurisdictions, and things of that nature.

Mr. DINGELL. Mr. Chairman, would the gentleman yield?

Mr. BILIRAKIS. I yield to the gentleman from Michigan.

Mr. DINGELL. The gentleman makes an excellent point. This is a quote from a letter jointly signed by the Consumers Federation of America and the Consumers Union:

> Current deceptive airline advertising, abominable passenger carrier on-time and missed-connection performance and lost baggage experience are consumer problems that have reached scandalous proportions. Consumers Union and Consumer Federation of America strongly support inclusion in H.R. 2897, the Federal Trade Commission Act amendments of 1987, of a provision that would lodge with the Federal Trade Commission responsibility for regulating passenger airline advertising practices.

Mr. Chairman, they go on to say:

> We hope that the FTC Amendments bill approved by the Rules Committee for floor consideration will include Section 201, which is needed to correct current airline industry practices. If it is not, we urge you to seek a rule for and to introduce a floor amendment that adds Section 201 back to the FTC Reauthorization Act.

The consumers and the airlines' passengers support this provision. The airlines oppose it. The question is, Who is the Congress going to look to and serve, the airlines or the consumers?

The choice is simple.

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Mr. BILIRAKIS. Mr. Chairman, continuing on, it is also significant that we remind ourselves that the Federal Trade Commission does have the statutory mandate in section 5(a)(1) of the FTC Act to prohibit the use in commerce of "unfair methods of competition" and "unfair or deceptive acts or practices."

This has been one of the FTC's main missions since its creation 73 years ago.

The FTC is the Federal Government's consumer protection agency, and the DOT is a transportation agency.

In spite of all of that, and again in response to the gentleman from Florida [Mr. SHAW], and I do not see the gentleman here, and possibly the gentleman might be watching us on television, the issue of Matthew's comments regarding our being able to serve two masters, that took place long before the FTC and FDA, and what not; but the airline industry is virtually the only segment of American business to enjoy a total exemption from FTC oversight and without FTC protection.

FTC shares jurisdiction with other agencies. There is more than one master being served in other instances with the FTC involved in areas of public health and safety, the Food and Drug Administration, the Consumer Product Safety Commission, the National Highway Traffic Safety Administration, the Bureau of Alcohol, Tobacco and Firearms.

The memorandum of understanding that is reflected in our legislation, there currently exists several liaison agreements and memoranda of understanding between FTC and other agencies which have allowed for aggressive and effective enforcement of shared responsibilities.

Examples include agreement with FDA on OTC and prescription drug advertising; agreement with Department of Agriculture regarding enforcement of the Packers and Stockyards Act; agreement with Department of Justice regarding antitrust and merger authorities; and agreement with Postal Service regarding mail-order fraud.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(By unanimous consent, Mr. BILIRAKIS was allowed to proceed for 1 additional minute.)

Mr. BILIRAKIS. Mr. Chairman, I point out to the Members this particular ad, and there are many of them. This can be compounded so many times over.

This ad dated October 6, 1987, yesterday's New York Times, guaranteed 7-day advance purchase fares from New York to, and it goes on here to

list a number of cities, Kansas City has an asterisk, Mexico City has two asterisks, San Diego has a cross, and San Francisco also has what looks like a cross. It is so small, I can barely see it. It is in very small letters.

Fares are one-way based on round-trip purchase, and flights can be rescheduled on Braniff Airlines only. Canceled flights will incur a 50-percent penalty. Tickets must be purchased within 24 hours after making reservations but at least 7 days prior to departure, and you must stay over Friday or Saturday night, et cetera, et cetera.

Mr. Chairman, are these really and truly guaranteed 7-day advance-purchase fares?

I would submit that H.R. 3051, which passed on a voice vote the other day, certainly does not address this type of a problem.

Mr. GINGRICH. Mr. Chairman, I move to strike the requisite number of words.

I think we are coming to the close of a long and, I am sure for a lot of the Members, a slightly confusing debate.

I would like to try for those of the Members who favor the Mineta amendment to explain what I think are the two or three major fallacies in the position of our colleagues on the other side of this issue.

First of all, I would say to the gentleman from Florida, if the gentleman will take a careful look at the Report on the Federal Trade Commission Act Amendments of 1987, page 34, I believe it is fair to say, among those businesses which are exempted, and I am quoting from page 34, I believe it is the committee's report, "* * * except banks, savings and loan institutions described in section 18(f)(3), Federal credit unions described in section 18(f)(4), common carriers subject to the acts to regulate commerce, air carriers and foreign air carriers subject to the Federal Aviation Act of 1958 * * *."

In other words, there are a number of institutions which for one reason or another are not subject to the FTC. It is not accurate to suggest that this is a unique situation.

Second, I would say to the Members, and I think this is part of the difference in approaching advertising as it relates to any other industry, and advertising as it relates to an industry involving air safety, it is a more complicated issue than some of the members on the Committee on Energy and Commerce would believe.

For example, in general debate one of the Members, one of the most distinguished Members, talked about newspaper advertising as though it was the essence of aviation advertising.

In fact, to cite just two airlines, United Air Lines in the U.S. market in 1987 will spend about $82 million, of which between $54 and $62 million will be TV and radio, and only $20 to $28 million will be newspaper.

Delta Air Lines will spend about $80 million this year, of which $57 million will be TV and radio, and $23 million newspaper.

Mr. Chairman, I make that point as a general entry to say, even on the issue of where they do the advertising, we have a disagreement of fact.

Second, we have a disagreement of fact about how many people are involved. It is our assertion, having made the phone calls today, that there are in fact about as many people at the Department of Transportation and three different offices now working on this issue as all of the people at the Federal Trade Commission involved in advertising fraud and all of the topics, in all of the businesses.

I would say to the gentlemen on the FTC side of this argument, they have had some areas looked at for almost 80 years now. It has a long tradition of being in existence.

Yet, every year we hear the members from the Committee on Energy and Commerce get up and explain that they have found new fraud they have to be involved in.

I would just say to the Members, with everything the Members already deal with in business, the Members still cannot handle the fraud that is found each year, so why would you reach out to grab another area?

I understand that the distinguished chairman certainly did not lay awake at night and did not seek to reach out and grab this. On the other hand, if it traipsed near his door, the chairman did not mind taking it in, harboring it for a little while, sheltering it from the cold winds of being ignored.

A final point, we asked the Administrator of the FAA how he felt about us splitting the responsibilities where they relate to aviation safety. He makes the point in a letter dated yesterday that it is very important to keep all of the aviation matters in the same department.

He points out, for example, and I quote:

> The most recent example of this important balancing was Secretary Dole's decision that the reporting of on-time performance statistics by airlines, intended to benefit consumers, should specifically exclude delays and cancellations for maintenance and repair reasons. The Federal Aviation Administration was directly involved in the determination that led to this outcome.
>
> While the Federal Trade Commission could be expected to be receptive to aviation safety arguments for taking a particular course on consumer protection decisions, such a dispersion of responsibilities outside the Department would make our administration of the FAA Act more difficult.

In other words, if the Members are willing to take risks with consumer safety, vote against the Mineta amendment; but if the Members think that advertising is less important than safety, and the Members think that the people in charge of safe travel should also be in charge of monitoring the airline industry, then the Members need to vote for the Mineta amendment.

Mr. BRUCE. Mr. Chairman, I move to strike the requisite number of words.

I am a little perplexed, because I do not know where all of the Members are buying tickets across this country.

Several of the Members fly across the country and use airlines.

Are the Members happy with what is happening when a ticket is purchased? Every weekend when I call, I get a different rate. One picks up an ad, and one sees, get this ticket.

Do the Members see that, One, Two, Free. There is not a gentleman in this Chamber that cannot see that at the back of this Chamber.

Read the bottom lines. The real catchers are free tickets are subject to seat availability. Other restrictions apply.

For complete details pick up a brochure. Seats are limited.

If there is not a single seat available under One, Two, Free, no one is going to do anything to this airline at all, that if you call the minute this ad hits the paper, yesterday if you called and said, "I want to fly on this plan," they could say it is not available.

I have consumers in my district, and they buy and fly airlines. They see ads like this in all my papers and call, and they do not understand why they cannot get this special deal.

The airlines are opposed to this proposal that the FTC control advertising, not safety. No one is saying that safety of the airlines is going to be controlled by the FTC. That is a red herring, wrong.

What we want to do is for the consumer to say when you buy a ticket and see an ad, when they give a contract to you, they have to fulfill the contract. They have to comply with all the safety, licensing, and the guy in the cockpit, the guy that works the airplane, that is going to be DOT and FAA; but we want to say when you pick up a newspaper and look at it, that you can be guaranteed that that is the truth.

It is mandated that in 180 days under the bill as it exists that the FTC draft a rule. If we knock it out, there is no requirement, no 180 days, and no one has to do anything. That is wrong.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. BRUCE. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I thank the gentleman for yielding to me.

I commend the gentleman for pointing out that advertisement, as the gentleman from Florida did as well.

I read through the two paragraphs contained in H.R. 3051, which we were told earlier is the ultimate salvation for this whole problem.

There is nothing in this ad that in any way is violative of the two paragraphs that are contained in the bill that is being held out as the hope, so that all of the deficiencies in that ad are explicitly condoned by the type of language we have in this other bill that purports to hold out salvation.

It is important that we have the FTC bill put into effect, rulemaking take place, and then we can ensure that that type of misleading, at best duplicitous, advertising will not be permitted.

Mr. GINGRICH. Mr. Chairman, will the gentleman yield?

Mr. BRUCE. I yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Chairman, I thank the gentleman for yielding to me.

I want to make a comment to the gentlemen on the committee.

Would any member on that committee care to bet whether or not in America today in an industry the FTC currently is monitoring, we could find a newspaper ad which has in an industry which is already covered, which has precisely similar exemptions, precisely similar exceptions, precisely similar print, and could be held up on the floor of the House and could be dealt with in exactly the same way, would the Members not stipulate that clearly somewhere in America today we could find an industry already covered which has that kind of an ad?

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BRUCE. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I thank the gentleman for yielding to me.

I do not think that is a relevant question.

What is relevant is a background of 275,000 complaints received by the industry in a very brief period, 15,000 complaints received by DOT up to June of this year, and only 30 actions taken by DOT on advertising complaints.

The answer is, something has got to be done.

The Consumer Federation and the Consumers Union of America say, "Support the Committee on Energy and Commerce bill. Oppose the Mineta amendment." That is why they say so. They are fed up with having consumers skinned by this kind of irresponsible behavior, and they want an agency that will be mandated by this statute to go into the question and correct the abuses.

It mandates the FTC to go after this problem. I urge the Members to support the legislation and oppose the Mineta amendment for that reason.

The consumers beg you to do the same thing for the same reason.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. BRUCE. I yield to the gentleman from New York.

Mr. LENT. I thank the gentleman for yielding.

Did I hear the distinguished chairman of the Committee on Energy and Commerce say that the Department of Transportation had only taken steps on 30 of all of those complaints?

The CHAIRMAN. The time of the gentleman from Illinois [Mr. BRUCE] has expired.

(On request of Mr. LENT, and by unanimous consent, Mr. BRUCE was allowed to proceed for 2 additional minutes.)

Mr. LENT. Mr. Chairman, will the gentleman yield further?

Mr. BRUCE. I continue to yield to the gentleman from New York.

Mr. LENT. We heard a statement of few minutes ago that the Department of Transportation now has 30 people working, and is the gentleman telling me that only 30 complaints were investigated, because that works out to one complaint per employee per year.

That is not the most efficient way for the Government to work.

Mr. DINGELL. Since January 1, 1986, the Department of Transportation has investigated exactly 30 advertising complaints.

I say that is scandalous. The consumers say it is scandalous, and I say it is time something be done.

Mr. LENT. We checked on those, and 29 were investigations against small airlines.

One of them, only one of those complaints, handled by the Department of Transporation, was directed against what might be denominated a major airline in this country.

□ 1415

Mr. MINETA. Mr. Chairman, will the gentleman yield?

Mr. BRUCE. I am happy to yield to the gentleman from California.

Mr. MINETA. Mr. Chairman, I would like to ask our colleague, the gentleman from New York and our colleague, the gentleman from Michigan, there may have been 30 actions, but does not this also really mean that there were a lot of them that were settled without having to go to any kind of action? I am not sure what those statistics are anymore than I know what the reference to 30 is.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BRUCE. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, the answer to that question is no! No!

Mr. MINETA. No—what?

Mr. DINGELL. No, that it would not mean that anything was done by DOT.

Mr. MINETA. Absolutely not.

Mr. DINGELL. DOT has shown, according to their own records, that from January 1, 1986, until this date they have investigated exactly 30 advertising complaints, exactly 30.

Mr. MINETA. Absolutely not. Absolutely not.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. BRUCE. I am happy to yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I think the key word here is investigate. They have only investigated 30 complaints. With these 30 employees that they now have on the job, in 1 year they have investigated 30 complaints.

Mr. BRUCE. Mr. Chairman, I would just like to conclude by pointing out that DOT has many missions. They carry out those missions well. The fact is that the Federal Trade Commission is created for the protection of the consumer and those people ought to be working for consumers against the airlines' false advertising.

Mr. HOWARD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we are getting to the end of this debate and I hope that during my few minutes I will not be shouting at anyone.

Mr. Chairman, we heard a few things as to reasons why we should in the legislation take jurisdiction from one committee or agency and just willy-nilly put it into another. One of them is the claim is made that the FTC has jurisdiction over all the advertising, all the business in the Nation, except this one, and therefore because they have everything else, they should have this.

Well, there are some businesses in the country that are exempt and the FTC does not regulate them, and they are not that small, either. All of the banks in the United States, all the savings and loans in the United States, all the trucks whether they be regular route, irregular route, or owner-operator, or whatever, are not under the FTC. Buses are not under the FTC, either, so that is not an argument.

Then we heard about the complaints. They want to take over the advertising because of the number of complaints about air service. Well, the last month we have figures for, the month of August, there were 6,822 complaints. But how many of them had to do with advertising, which is the issue here? Of those 6,822, 54, or seven-tenths of 1 percent were complaints about advertising.

We hear talk here that this is an issue of consumer protection. Well, in our view in the Public Works and Transportation Committee and in the Aviation Committee, maybe not in Energy and Commerce, but the ultimate consumer protection, the primary consumer protection is safety,

safety for the consumer, to protect them from dangerous situations, and that is something that we do not want to give up and we will be giving up unless we pass the Mineta amendment today.

The FTC, no experience, admittedly, over aviation safety at all.

You know, you have an organization here that says, first, that business is the important thing. Be efficient and then based on those guidelines, maybe you can be safe.

What we have been insisting on is to make sure that flight is safe first, then be as efficient as you can.

If you want to keep that safety first, then you will vote for the Mineta amendment.

This would fragment jurisdiction, leaving passengers with a confused muddle of agencies to work with. We know where it is now. We passed legislation on this.

The FTC has been criticized, and who criticizes them the most? The Energy and Commerce Committee, the committee that deals with the FTC. They just recently complained about the FTC because they are attempting to rewrite the law on deception that has been used to protect consumers; so after complaining about them trying to rewrite the law, the FTC is saying, "Let's not let the people know too much. That might be bad for them."

We say that we have a program in which we voted here by a voice vote on Monday that the passengers will have all the information that they need, that they will have the information on efficiency and safety and operation and the record, so that they can make a good consumer decision.

You can keep that if you vote for the Mineta amendment.

Last Thursday, just in the last few days, we passed the aviation development bill, a 5-year bill, after we worked on it for several years in order to improve aviation and make it safer and more productive in this Nation.

On Monday, we passed that 396 to 0. Monday, under suspension, we passed by a voice vote the Passenger Protection Act, directing the airlines and directing the DOT as to information for consumers in order to improve the efficiency of the airlines, while not giving up safety; so those bills should be allowed to work before we make radical changes.

Also, and it has been a part of this debate, we spent several years, many years ago, in setting up jurisdictions of committees. We worked for 3 years on it, and then they came to the caucuses of the two parties as to the procedures and that was taken care of and then the House voted on it, a very, very important thing. Let us not go down the road now where just by a piece of legislation coming to this floor we can lift jurisdiction from one area and put it into another one. This may be only against the Public Works and Transportation Committee today, but to anyone who serves on an authorizing committee, you may be next.

So let us do the right thing. Let us keep going with safety first, efficiency second, not the other way around, and vote for the Mineta amendment.

Mr. SLATTERY. Mr. Chairman, I rise in opposition to the amendment offered by Representative MINETA that would strike title II from H.R. 2897, legislation authorizing the Federal Trade Commission.

The airline industry first obtained exemption from FTC jurisdiction because they were a highly regulated industry. Now that the airlines have undergone a major deregulation, and consumers are both reaping the benefits and bearing the burdens of that deregulation, I believe that the airline industry should come under the scrutiny of the Federal agency that was created in order to monitor unfair competitive activities and deceptive advertising practices.

Within the past year, consumer complaints about air service have increased dramatically. Many consumers have complained about inability to obtain advertised fares and to comprehend the limitations and restrictions applicable to those fares. Although the Department of Transportation has the authority to issue regulations governing unfair or deceptive acts or practices regarding the sale or promotion of air transportation, it has failed to issue a single regulation relating to the advertisement of air transportation or air fares. It has instead handled complaints on a case-by-case basis. Resources allocated to the Aviation Consumer Affairs Office at DOT are meager, at best. Transfer of this authority to the FTC will result in a 400-percent increase in the number of personnel available to address airline advertising issues. The FTC is the Federal agency with expertise in regulating advertising. The DOT is not. Title II of the pending legislation would direct the FTC within 6 months to promulgate a strong rule to curb the airlines' advertising abuses by requiring full, conspicuous and understandable disclosure in their advertisements. This is what the American people are asking for and they deserve nothing less.

Mr. BOSCO. Mr. Chairman, I rise in strong support of the amendment offered by my colleague from California, Mr. MINETA. The transfer of jurisdiction over deceptive and unfair airline advertising practices from the Department of Transportation to the Federal Trade Commission is certain to enhance the prestige and jurisdiction of the House Committee on Energy and Commerce, and it is certain to add to the burden of our fine Federal Trade Commission, but it will do so at the expense and peril of the average American airline passenger. I urge my colleagues to join me in voting to delete title II from this legislation.

We in Washington engage far too often in turf wars that, while benefiting one faction or another in the executive and legislative branches of Government, ignore the true needs and concerns of the American public. Not surprisingly, these petty squabbles result in diminished protection for the American consumer and in inadequate policing of vital American industries such as commercial aviation. I have spent my entire professional career laboring in the trenches for the rights of consumers in California and across America, and I am surprised at the frequency with which petty political battles threaten the safety and well-being of the hapless American consumer.

I sincerely hope that my colleagues will look beyond the parade of parochial interests that appears on the floor today and keep an eye instead upon the interests of the millions of airline passengers who are already reeling from the frustrations of modern day air travel. They deserve competent and comprehensive protection against false and deceptive advertising—protection by Government agencies that understand all of the variables in the complicated commercial airline equation—and not empty rationalizations from turf-hungry legislators and bureaucrats. That is what this debate today is all about.

This Congress has been sensitive to the citizenry's outrage at the deceptive and misleading practices and gimmickry often used in airline advertising today. We have also remained cognizant of the complicated relationships between airline industry safety, efficiency, and service, and just this week we passed comprehensive legislation that addresses this complex web of issues. Significantly, the Airline Passenger Protection Act requires full and comprehensive disclosure by the airlines of information that had heretofore been unavailable to the flying public.

However, if this legislation passes today with title II intact, I am afraid that the advertising issue will begin to be addressed in a safety vacuum. It is essential to maintain strong, effective, and unambiguous command and control within the Federal Government with regard to airline regulatory and safety issues—there is no other way to maintain the highest standards of airline safety. Splintered authority over these issues, as prescribed by title II of this legislation, will lead to buck passing and further frustration, and not to increased safety, efficiency, or consumer protection. I urge my colleagues to join me in deleting title II from this legislation.

Mrs. COLLINS. Mr. Chairman, I support the Howard-Mineta amendment striking the Federal Trade Commission [FTC] regulation of airline advertising. While I continue to sympathize with those concerned with shoddy airline advertising, confusing regulatory jurisdiction over the airline industry is not the answer.

The Subcommittee on Government Activities and Transportation, which I chair, has reviewed at staff level, the growing problem of deceptive airline practices—overbooking, misleading advertising, and bait-and-switch fares. Deceptive practices, in fact, appears to be only the tip of the iceberg as far as the airline industry is concerned. My subcommittee has uncovered increasingly questionable maintenance practices, substandard airport security, and racial discrimination in the hiring and promotion of air traffic controllers and pilots. By all accounts the situation continues to deteriorate daily.

I must point out, however, that in the midst of such a sorry state of affairs, the answer is not to rearrange regulatory jurisdiction of the airlines. The answer lies in stepped up FAA activity and close scrutiny of that agency's ac-

tions. The statutory authority already exists for the FAA to do its job of protecting airline consumers.

By giving the FTC a portion of jurisdiction over the airlines and leaving the remainder with the FAA, the regulatory situation becomes further muddled. We will be faced with the same problems next year, as these two agencies fight over bureaucratic turf. This is a perfect opportunity for the airline industry to play one regulator off against another.

Let's retain the status quo. Support the Howard-Mineta amendment.

The CHAIRMAN. The question is on the Public Works and Transportation Committee amendment.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HOWARD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 246, noes 171, not voting 16, as follows:

[Roll No. 350]

AYES—246

Akaka	Dreier	Kolter
Alexander	Duncan	Konnyu
Anderson	Dwyer	Kyl
Annunzio	Edwards (CA)	Lagomarsino
Anthony	Emerson	Lancaster
Applegate	Erdreich	Lantos
Archer	Fazio	Levine (CA)
Armey	Feighan	Lewis (CA)
Aspin	Fields	Lewis (GA)
AuCoin	Fish	Lightfoot
Badham	Flippo	Lipinski
Baker	Foley	Lloyd
Ballenger	Frenzel	Lowery (CA)
Barnard	Frost	Lujan
Bartlett	Gallegly	Lukens, Donald
Bateman	Gallo	Lungren
Bennett	Gaydos	Mack
Bentley	Gejdenson	Marlenee
Bereuter	Gekas	Martin (IL)
Bevill	Gibbons	Martin (NY)
Bilbray	Gingrich	Mavroules
Boehlert	Glickman	Mazzoli
Boggs	Gonzalez	McCandless
Bonker	Goodling	McCloskey
Borski	Gradison	McDade
Bosco	Gray (IL)	McEwen
Boulter	Gray (PA)	McGrath
Brown (CA)	Gregg	McMillan (NC)
Brown (CO)	Gunderson	Mica
Buechner	Hammerschmidt	Michel
Bunning	Hansen	Miller (OH)
Burton	Hastert	Miller (WA)
Bustamante	Hatcher	Mineta
Campbell	Hayes (LA)	Molinari
Cardin	Hefley	Moody
Carper	Hefner	Morrison (WA)
Carr	Herger	Murphy
Chandler	Hiler	Murtha
Chapman	Holloway	Myers
Chappell	Hopkins	Natcher
Cheney	Horton	Neal
Clinger	Houghton	Nichols
Coble	Howard	Nowak
Coleman (MO)	Hoyer	Oberstar
Combest	Hubbard	Olin
Conyers	Hughes	Ortiz
Courter	Hutto	Packard
Coyne	Hyde	Panetta
Crane	Inhofe	Parris
Daniel	Jeffords	Pashayan
Daub	Jenkins	Patterson
Davis (IL)	Johnson (CT)	Pease
DeFazio	Jones (TN)	Penny
de la Garza	Kanjorski	Perkins
DeLay	Kaptur	Petri
DeWine	Kennedy	Pickett
Dickinson	Kennelly	Pickle
DioGuardi	Kleczka	Porter
Dornan (CA)	Kolbe	Price (IL)
Quillen	Sisisky	Sundquist
Rahall	Skaggs	Sweeney
Ravenel	Skeen	Swindall
Ray	Skelton	Tallon
Regula	Slaughter (NY)	Taylor
Rhodes	Slaughter (VA)	Thomas (CA)
Ridge	Smith (NE)	Thomas (GA)
Roberts	Smith (NJ)	Torres
Robinson	Smith (TX)	Towns
Rodino	Smith, Denny (OR)	Traficant
Roe	Smith, Robert (NH)	Upton
Rogers	Smith, Robert (OR)	Valentine
Roukema	Solomon	Vento
Rowland (CT)	Spence	Visclosky
Rowland (GA)	Spratt	Volkmer
Saiki	Staggers	Walker
Savage	Stangeland	Weber
Sawyer	Stenholm	Whitten
Saxton	Stokes	Williams
Schulze	Stratton	Wilson
Sensenbrenner	Stump	Wise
Shaw		Wolf
Shumway		Wortley
Shuster		Young (AK)

NOES—171

Ackerman	Frank	Nagle
Andrews	Garcia	Nelson
Atkins	Gilman	Nielson
Barton	Gordon	Oakar
Bates	Grandy	Obey
Beilenson	Green	Owens (NY)
Berman	Guarini	Owens (UT)
Bilirakis	Hall (OH)	Oxley
Bliley	Hall (TX)	Pelosi
Boland	Hamilton	Price (NC)
Bonior	Harris	Pursell
Boucher	Hawkins	Rangel
Boxer	Hayes (IL)	Richardson
Brennan	Henry	Rinaldo
Brooks	Hertel	Ritter
Broomfield	Hochbrueckner	Rose
Bruce	Huckaby	Rostenkowski
Bryant	Ireland	Roth
Byron	Jacobs	Roybal
Callahan	Johnson (SD)	Russo
Clarke	Jones (NC)	Sabo
Clay	Jontz	Schaefer
Coats	Kasich	Schneider
Coelho	Kastenmeier	Schroeder
Coleman (TX)	Kildee	Schuette
Conte	Kostmayer	Schumer
Cooper	LaFalce	Sharp
Craig	Leach (IA)	Shays
Crockett	Leath (TX)	Sikorski
Dannemeyer	Lehman (CA)	Slattery
Darden	Lehman (FL)	Smith (FL)
Davis (MI)	Leland	Smith (IA)
Dellums	Lent	Snowe
Derrick	Levin (MI)	Solarz
Dicks	Lewis (FL)	St Germain
Dingell	Lott	Stallings
Dixon	Lowry (WA)	Stark
Donnelly	Luken, Thomas	Studds
Dorgan (ND)	MacKay	Swift
Dowdy	Madigan	Synar
Downey	Manton	Tauke
Durbin	Markey	Torricelli
Dymally	Martinez	Traxler
Dyson	Matsui	Udall
Early	McCurdy	Vander Jagt
Eckart	McHugh	Vucanovich
Edwards (OK)	McMillen (MD)	Walgren
English	Meyers	Watkins
Espy	Mfume	Waxman
Evans	Miller (CA)	Weiss
Fascell	Moakley	Wheat
Fawell	Mollohan	Whittaker
Flake	Montgomery	Wolpe
Florio	Moorhead	Wyden
Foglietta	Morella	Wylie
Ford (MI)	Morrison (CT)	Yatron
Ford (TN)	Mrazek	Young (FL)

NOT VOTING—16

Biaggi	Kemp	Scheuer
Collins	Latta	Tauzin
Coughlin	Livingston	Weldon
Gephardt	McCollum	Yates
Grant	Pepper	
Hunter	Roemer	

□ 1430

Messrs. GORDON, SHAYS, CROCKETT, HAWKINS, HOCHBRUECKNER, and RANGEL changed their votes from "aye" to "no."

So the Public Works and Transportation Committee amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments to the bill?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment, in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. FOLEY] having assumed the chair, Mr. KOSTMAYER, Chairman of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2897) to amend the Federal Trade Commission Act to extend the authorization of appropriations in such act, and for other purposes, pursuant to House Resolution 279, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the Committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

□ 1445

The SPEAKER pro tempore (Mr. FOLEY). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device and there were—yeas 404, nays 10, not voting 19, as follows:

[Roll No. 351]

YEAS—404

Ackerman	Badham	Bilbray
Akaka	Baker	Bilirakis
Alexander	Barnard	Bliley
Anderson	Bartlett	Boehlert
Andrews	Barton	Boggs
Annunzio	Bateman	Boland
Anthony	Bates	Bonior
Applegate	Beilenson	Bonker
Archer	Bennett	Borski
Armey	Bentley	Bosco
Aspin	Bereuter	Boucher
Atkins	Berman	Boulter
AuCoin	Bevill	Boxer

Brennan	Gonzalez	Mavroules
Brooks	Goodling	Mazzoli
Broomfield	Gordon	McCandless
Brown (CA)	Gradison	McCloskey
Brown (CO)	Grandy	McCurdy
Bruce	Gray (IL)	McDade
Bryant	Gray (PA)	McEwen
Buechner	Green	McGrath
Bunning	Guarini	McHugh
Burton	Gunderson	McMillan (NC)
Bustamante	Hall (OH)	McMillen (MD)
Byron	Hall (TX)	Meyers
Callahan	Hamilton	Mfume
Campbell	Hammerschmidt	Mica
Cardin	Hansen	Michel
Carper	Harris	Miller (CA)
Carr	Hastert	Miller (OH)
Chandler	Hatcher	Miller (WA)
Chapman	Hawkins	Mineta
Chappell	Hayes (IL)	Moakley
Cheney	Hayes (LA)	Molinari
Clarke	Hefley	Mollohan
Clay	Hefner	Montgomery
Clinger	Henry	Moody
Coats	Herger	Moorhead
Coble	Hertel	Morella
Coelho	Hiler	Morrison (CT)
Coleman (MO)	Hochbrueckner	Morrison (WA)
Coleman (TX)	Holloway	Mrazek
Combest	Hopkins	Murphy
Conte	Horton	Murtha
Conyers	Houghton	Myers
Cooper	Howard	Nagle
Courter	Hoyer	Natcher
Coyne	Hubbard	Neal
Craig	Huckaby	Nelson
Crockett	Hughes	Nichols
Daniel	Hutto	Nielson
Dannemeyer	Hyde	Nowak
Darden	Inhofe	Oakar
Daub	Ireland	Oberstar
Davis (IL)	Jacobs	Obey
Davis (MI)	Jeffords	Olin
de la Garza	Jenkins	Ortiz
DeFazio	Johnson (CT)	Owens (NY)
Dellums	Johnson (SD)	Owens (UT)
Derrick	Jones (NC)	Oxley
DeWine	Jones (TN)	Packard
Dickinson	Jontz	Panetta
Dicks	Kanjorski	Parris
Dingell	Kaptur	Pashayan
DioGuardi	Kasich	Patterson
Dixon	Kastenmeier	Pease
Donnelly	Kennedy	Pelosi
Dornan (CA)	Kennelly	Penny
Dowdy	Kildee	Perkins
Downey	Kleczka	Petri
Dreier	Kolbe	Pickett
Duncan	Kolter	Pickle
Durbin	Konnyu	Porter
Dwyer	Kostmayer	Price (IL)
Dymally	Kyl	Price (NC)
Dyson	LaFalce	Pursell
Early	Lagomarsino	Quillen
Eckart	Lancaster	Rahall
Edwards (CA)	Lantos	Rangel
Edwards (OK)	Leach (IA)	Ravenel
Emerson	Leath (TX)	Ray
English	Lehman (CA)	Regula
Erdreich	Lehman (FL)	Rhodes
Espy	Leland	Richardson
Evans	Lent	Ridge
Fascell	Levin (MI)	Rinaldo
Fawell	Levine (CA)	Ritter
Fazio	Lewis (CA)	Roberts
Feighan	Lewis (GA)	Robinson
Fields	Lightfoot	Rodino
Fish	Lipinski	Roe
Flake	Lloyd	Rogers
Flippo	Lott	Rose
Florio	Lowery (CA)	Rostenkowski
Foglietta	Lowry (WA)	Roth
Foley	Lujan	Roukema
Ford (MI)	Luken, Thomas	Rowland (CT)
Ford (TN)	Lukens, Donald	Rowland (GA)
Frank	Lungren	Roybal
Frost	Mack	Russo
Gallegly	MacKay	Sabo
Gallo	Madigan	Saiki
Garcia	Manton	Savage
Gaydos	Markey	Sawyer
Gejdenson	Marlenee	Saxton
Gibbons	Martin (IL)	Schaefer
Gilman	Martin (NY)	Schneider
Gingrich	Martinez	Schroeder
Glickman	Matsui	Schuette
Schulze	Spratt	Upton
Schumer	St Germain	Valentine
Sensenbrenner	Staggers	Vander Jagt
Sharp	Stallings	Vento
Shaw	Stangeland	Visclosky
Shays	Stark	Volkmer
Shumway	Stenholm	Vucanovich
Shuster	Stokes	Walgren
Sikorski	Stratton	Watkins
Sisisky	Studds	Waxman
Skaggs	Sundquist	Weber
Skeen	Sweeney	Weiss
Skelton	Swift	Wheat
Slattery	Swindall	Whittaker
Slaughter (NY)	Synar	Whitten
Slaughter (VA)	Tallon	Williams
Smith (FL)	Tauke	Wilson
Smith (IA)	Taylor	Wise
Smith (NE)	Thomas (CA)	Wolf
Smith (NJ)	Thomas (GA)	Wolpe
Smith (TX)	Torres	Wortley
Smith, Robert (OR)	Torricelli	Wyden
	Towns	Wylie
Snowe	Traficant	Yatron
Solarz	Traxler	Young (AK)
Spence	Udall	Young (FL)

NAYS—10

Crane	Gregg	Solomon
DeLay	Smith, Denny (OR)	Stump
Frenzel		Walker
Gekas	Smith, Robert (NH)	

NOT VOTING—19

Ballenger	Hunter	Roemer
Biaggi	Kemp	Scheuer
Collins	Latta	Tauzin
Coughlin	Lewis (FL)	Weldon
Dorgan (ND)	Livingston	Yates
Gephardt	McCollum	
Grant	Pepper	

□ 1500

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMAS A. LUKEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and insert extraneous material on H.R. 2897, the bill just passed.

The SPEAKER pro tempore (Mr. HUTTO). Is there objection to the request of the gentleman from Ohio?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN THE ENGROSSMENT OF H.R. 2897

Mr. THOMAS A. LUKEN. Mr. Speaker, I ask unanimous consent that the Clerk be permitted to make technical and conforming amendments and corrections in the engrossment of H.R. 2897.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. THOMAS A. LUKEN. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce and the Committee on Rules be discharged from further consideration of the Senate bill (S. 677) to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Trade Commission Act Amendments of 1987".

UNFAIR METHODS OF COMPETITION

SEC. 2. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following:

"(n) The Commission shall not have any authority to find a method of competition to be an unfair method of competition under subsection (a)(1) if, in any action under the Sherman Act, such method of competition would be held to constitute State action.".

AGRICULTURAL COOPERATIVES

SEC. 3. The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by redesignating section 24 and section 25 as section 26 and 27, respectively, and by inserting after section 23 the following new section:

"SEC. 24. (a) The Commission shall not have any authority to conduct any study, investigation, or prosecution of any agricultural cooperative for any conduct which, because of the provisions of the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 18, 1922 (7 U.S.C. 291 et seq., commonly known as the Capper-Volstead Act), is not a violation of any of the antitrust Acts or this Act.

"(b) The Commission shall not have any authority to conduct any study or investigation of any agricultural marketing orders.".

COMPENSATION IN PROCEEDINGS

SEC. 4. (a) Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)) is repealed, and subsections (i), (j), and (k) of section 18 are redesignated as subsections (h), (i), and (j), respectively.

(b) Section 18(a)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)) is amended by striking "subsection (i)" and inserting in lieu thereof "subsection (h)".

KNOWING VIOLATIONS OF ORDERS

SEC. 5. (a) Section 5(m)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 45(m)(1)(B)) is amended by inserting ", other than a consent order," immediately after "order" the first time it appears therein.

(b) Section 5(m)(2) of the Federal Trade Commission Act (15 U.S.C. 45(m)(2)) is amended by adding at the end thereof the following: "Upon request of any party to such an action against such defendant, the court shall also review the determination of law made by the Commission in the proceeding under subsection (b) that the act or practice which was the subject of such proceeding constituted an unfair or deceptive act or practice in violation of subsection (a).".

PREVALENCE OF UNLAWFUL ACTS OR PRACTICES

SEC. 6. Section 18(b) of the Federal Trade Commission Act (15 U.S.C. 57a(b)) is amended by adding at the end thereof the following:

"(3) The Commission shall issue a notice of proposed rulemaking pursuant to paragraph (1)(A) only where it has reason to believe that the unfair or deceptive acts or practices which are the subject of the proposed rulemaking are prevalent. The Commission shall make a determination that unfair or deceptive acts or practices are prevalent under this paragraph only if it has issued cease and desist orders regarding such acts or practices, or any other information available to the Commission indicates a pattern of unfair or deceptive acts or practices.".

EFFECTIVE DATE OF ORDERS

SEC. 7. (a) Section 5(g)(2) of the Federal Trade Commission Act (15 U.S.C. 45(g)(2)) is amended to read as follows:

"(2) Upon the sixtieth day after such order is served, if a petition for review has been duly filed, except that any such order may be stayed, in whole or in part and subject to such conditions as may be appropriate, by—

"(A) the Commission;

"(B) an appropriate court of appeals of the United States, if (i) a petition for review of such order is pending in such court, and (ii) an application for such a stay was previously submitted to the Commission and the Commission, within the thirty-day period beginning on the date the application was received by the Commission, either denied the application or did not grant or deny the application; or

"(C) the Supreme Court, if an applicable petition for certiorari is pending; or".

(b) Section 5(g)(3) of the Federal Trade Commission Act (15 U.S.C. 45(g)(3)) is amended to read as follows:

"(3) For purposes of section 19(a)(2) and section 5(m)(1)(B), if a petition for review of the order of the Commission has been filed—

"(A) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals and no petition for certiorari has been duly filed;

"(B) upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(C) upon the expiration of thirty days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed; or".

(c) Section 5(g)(4) of the Federal Trade Commission Act (15 U.S.C. 45(g)(4)) is amended to read as follows:

"(4) In the case of an order requiring a person, partnership, or corporation to divest itself of stock, other share capital, or assets, if a petition for review of such order of the Commission has been filed—

"(A) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals and no petition for certiorari has been duly filed;

"(B) upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(C) upon the expiration of thirty days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed.".

CIVIL INVESTIGATIVE DEMANDS

SEC. 8. (a) Section 20(a) of the Federal Trade Commission Act (15 U.S.C. 57b-1(a)) is amended—

(1) in paragraph (2), by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission";

(2) in paragraph (3), by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "acts or practices or methods of competition declared unlawful by a law administered by the Commission"; and

(3) in paragraph (7), by striking "unfair or deceptive act or practice in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission".

(b) Section 20(b) of the Federal Trade Commission Act (15 U.S.C. 57b-1(b)) is amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by a law administered by the Commission".

(c) Section 20(c)(1) of the Federal Trade Commission Act (15 U.S.C. 57b-1(c)) is amended by striking "unfair or deceptive Acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by a law administered by the Commission".

(d) Section 20(j) of the Federal Trade Commission Act (15 U.S.C. 57b-1(j)) is amended by inserting immediately before the semicolon the following: ", any proceeding under section 11(b) of the Clayton Act, or any adjudicative proceeding under any other provision of law".

DEFINITION OF UNFAIR ACTS OR PRACTICES

SEC. 9. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45), as amended by section 2 of this Act, is further amended by adding at the end thereof the following:

"(o) The Commission shall have no authority under this section or section 18 to declare unlawful an act or practice on the grounds that such act or practice is unfair unless the act or practice causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition.".

CREDIT UNIONS

SEC. 10. (a) Sections 5(a)(2), 6(a), and 6(b) of the Federal Trade Commission Act (15 U.S.C. 45 (a)(2), 46(a), and 46(b)) are amended by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions described in section 18 (f)(4),".

(b) The second proviso in section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended—

(1) by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions described in section 18(f)(4),"; and

(2) by inserting immediately after "in business as a savings and loan institution," the following: ", in business as a Federal credit union,".

(c)(1) The second sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended by inserting immediately after "paragraph (3))" the following: "and the National Credit Union Administration Board (with respect to Federal credit unions described in paragraph (4))".

(2) The last sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended—

(A) by striking "either such" and inserting in lieu thereof "any such";

(B) by inserting "or Federal credit unions described in paragraph (4)," immediately after "paragraph (3)," each place it appears therein; and

(C) by inserting immediately after "with respect to banks" the following: ", savings and loan institutions or Federal credit unions".

(3) Section 18(f) of the Federal Trade Commission Act (15 U.S.C. 57a(f)) is amended by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively, and by inserting immediately after paragraph (3) the following:

"(4) Compliance with regulations prescribed under this subsection shall be enforced with respect to Federal credit unions under sections 120 and 206 of the Federal Credit Union Act (12 U.S.C. 1766 and 1786).".

COMMERCIAL ADVERTISING

SEC. 11. Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)), as so redesignated in section 4(a) of this Act, is amended by adding at the end thereof the following: "The Commission shall have no authority under this section to initiate any new rulemaking proceeding which is intended to or may result in the promulgation of any rule by the Commission which prohibits or otherwise regulates any commercial advertising on the basis of a determination by the Commission that such commercial advertising constitutes an unfair act or practice in or affecting commerce.".

REPORT

SEC. 12. (a) The Federal Trade Commission shall submit to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives the information specified in subsection (b) of this section every six months during each of the fiscal years 1988, 1989, and 1990. Each such report shall contain such information for the period since the last submission under this section.

(b) Each such report shall list and describe, with respect to instances in which resale price maintenance has been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission;

(2) each preliminary investigation opened or closed at the Commission;

(3) each formal investigation opened or closed at the Commission;

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission;

(5) each complaint issued by the Commission pursuant to section 5 of the Federal Trade Commission Act (15 U.S.C. 45);

(6) each opinion and order entered by the Commission;

(7) each consent agreement accepted provisionally or finally by the Commission;

(8) each request for modification of an outstanding Commission order filed with the Commission;

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order; and

(10) each disposition by the Commission of a request for modification of an outstanding Commission order.

Such report shall include the sum total of matters in each category specified in paragraphs (1) through (10) of this subsection, and copies of all such consent agreements and complaints executed by the Commission. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The description required under this subsection shall be as complete as possible but shall not reveal the identity of persons or companies making the complaint or those complained about or those subject to investigation that have not otherwise been made public.

CONGRESSIONAL REVIEW OF RULES

SEC. 13. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by inserting after section 24, as added by section 3 of this Act, the following new section:

"SEC. 25. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution which does not contain a preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the rule entitled , transmitted to the Congress by the Federal Trade Commission on , 19 .', the blank spaces being filled with the appropriate title of the rule and the date of transmittal of the rule to the Congress, respectively; and

"(3) 'rule' means any rule promulgated by the Commission pursuant to this Act other than any rule promulgated under section 18(a)(1)(A) and any interpretive or procedural rule.

"(b)(1) Except as provided in subsection (g)(1), on the day the Commission forwards to the Federal Register for publication a recommended rule, the Commmission shall transmit a copy of such rule to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommendation rule under this subsection whether the appropriate House is in session, stands in adjournment, or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended rule, the Secretary and the Clerk shall transmit a copy of such rule to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended rule may become effective until the expiration of a period of ninety days after the date on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such rule may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such rule has become law.

"(2) For purposes of this section—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this amendment if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any rule subject to this section shall be considered a recommendation on the Commission to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the rule involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended rule of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1), the Commission may resubmit the recommended rule at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of subsection (c)(1) shall begin on the date of such resubmission, and such rule may only become effective in accordance with this section. The Commission shall not be required to forward such rule to the Federal Register for publication if such rule is identical to the rule transmitted during the previous session of Congress.

"(2) If a recommended rule of the Commission is disapproved under this section, the Commission may issue a recommended rule which relates to the same acts or practices as the disapproved rule. Such recommended rule—

"(A) shall be based upon—

"(i) the rulemaking record of the recommended rule disapproved by the Congress; or

"(ii) such rulemaking record and the record established in supplemental rulemaking proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the rule.

"(3) After issuing a recommended rule under this subsection, the Commission shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1), and such rule shall only become effective in accordance with this section.

"(h) The provisions of this subsection, paragraphs (1) and (2) of subsection (a), subsection (e), and subsections (i) through (l) are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (l), joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B), if the committee to which a joint resolution has been referred does not report such resolution within 30 days after the date of transmittal to the Congress of the recommended rule to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate by motion of the majority leader supported by the minority leader, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same rule), and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees.

"(k)(1) Except as provided in paragraphs (2) and (3), consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding any rule of the Standing Rules of the Senate (except rule XXII) or any rule of the House of Representatives at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable.

"(3) Debate on a joint resolution shall be limited to not more than ten hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to, or

motion to recommit, the joint resolution is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

"(l) If a joint resolution has been reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same rule from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(b)(1) This subsection is adopted as an exercise of the power of each House of Congress to determine the rules of its proceedings. The Congress specifically finds that the provisions of this subsection are essential to the Congress in exercising its constitutional responsibility to monitor and to review exercises by the executive of delegated powers of a legislative character.

(2)(A) After the Senate and the House of Representatives adopt a joint resolution with respect to a rule pursuant to section 25 of the Federal Trade Commission Act, it shall be in order in the Senate or the House of Representatives, notwithstanding any provision of the Standing Rules of the Senate (except rule XXII) or the Rules of the House of Representatives, to consider an amendment described in subparagraph (B) to a bill or resolution making appropriations for the Federal Trade Commission.

(B) An amendment referred to in subparagraph (A) is an amendment which only contains provisions to prohibit the use of funds appropriated in the bill or resolution described in such subparagraph for the issuing, promulgating, enforcing, or otherwise carrying out a rule with respect to which a joint resolution has been adopted pursuant to section 25 of the Federal Trade Commission Act.

(3) Debate on an amendment described in paragraph (2)(B) shall be limited to not more than four hours, which shall be divided in the House of Representatives equally between those favoring and those opposing the amendment and which shall be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. An amendment to, or motion to recommit, the amendment is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

(C) The amendments made by this section shall cease to have any force and effect on or after the date which is five years after the date of enactment of this Act.

(d) Section 21 of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57a-1) is repealed.

REPORT ON PREDATORY PRICING PRACTICES

SEC. 14. (a) The Federal Trade Commission shall submit to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives the information specified in subsection (b) of this section every six months during each of the fiscal years 1988, 1989 and 1990. Each such report shall contain such information for the period since the last submission under this section.

(b) Each such report shall list and describe, with respect to instances in which predatory pricing practices have been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission;

(2) each preliminary investigation opened or closed at the Commission;

(3) each formal investigation opened or closed at the Commission;

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission;

(5) each complaint issued by the Commission;

(6) each opinion and order entered by the Commission;

(7) each consent agreement accepted provisionally or finally by the Commission;

(8) each request for modification of an outstanding Commission order filed with the Commission;

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order; and

(10) each disposition by the Commission of a request for modification of an outstanding Commission order.

Such report shall include copies of all such consent agreements and complaints executed by the Commission referred to in such report. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The descriptions required under this subsection shall be as complete as possible but shall not reveal the identity of persons or companies making the complaint or those complained about or those subject to ivestigation that have not otherwise been made public. The report shall include any evaluation by the Commission of the potential impacts of predatory pricing upon businesses (including small businesses).

INTERVENTION BY COMMISSION IN CERTAIN PROCEEDINGS

SEC. 15. (a) The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1988, 1989, or 1990, for the purpose of submitting statements to, appearing before, or intervening in the proceedings of, any Federal or State agency unless the Commission advises the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives, at least sixty days before any such proposed action, or, if such advance notice is not practicable, as far in advance of such proposed action as is practicable.

(b) The notice required in subsection (a) of this section shall include the name of the agency involved, the date upon which the Federal Trade Commission will first appear, intervene, or submit comments, a concise statement regarding the nature and purpose of the proposed action of the Commission, and, in any case in which advance notice of sixty days is not practicable, a concise statement of the reasons such notice is not practicable.

NATIVE AMERICAN ARTS AND CRAFTS

SEC. 16. Section 5(a) of the Federal Trade Commission Act is amended by adding at the end thereof the following:

"(4) It shall be an unfair method of competition in or affecting commerce, or an unfair or deceptive act or practice in or affecting commerce, within the meaning of this section, to sell imitation American Indian art, crafts, or jewelry if the English name of the country of origin of such imitation art, crafts, or jewelry is not marked on such imitation art, crafts, or jewelry by means of etching, engraving, die stamping, raised lettering, or other equally permanent method of marking.".

REGIONAL OFFICES

SEC. 17. The Federal Trade Commission shall, from funds appropriated pursuant to the authorization contained in section 13 of this Act, redirect not less than $858,000 in each of the fiscal years 1988, 1989 and 1990 to support of activities undertaken by the regional offices of the Federal Trade Commission. Not less than $500,000 of such amount shall be redirected from amounts made available for activities undertaken within the Economic Activities Mission and the Office of Policy Development, and the remainder of such amount shall not be redirected from amounts made available for law enforcement activities. In addition to the funds specified in this section, the Federal Trade Commission shall in fiscal years 1988, 1989 and 1990 maintain such regional offices at the locations, and at not less than the funding level, which existed for such offices on the date of enactment of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 18. Section 26 of the Federal Trade Commission Act, as so redesignated by section 3 of this Act, is amended—

(1) by striking "and" after "1981,"; and

(2) by inserting immediately before the period at the end thereof the following: "; not to exceed $69,850,000 for the fiscal year ending September 30, 1988; not to exceed $70,850,000 for the fiscal year ending September 30, 1989; and not to exceed $71,850,000 for the fiscal year ending September 30, 1990, and such additional sums for the fiscal years ending September 30, 1989 and September 30, 1990, as may be necessary for increases in salary, pay, and other employee benefits as authorized by law".

HEALTH INSURANCE FOR THE ELDERLY, STUDY OF

SEC. 19. (a) "The Commission shall conduct a comprehensive study of—

(1) The use of potentially unfair, deceptive or misleading practices in the sale of health insurance to the elderly, including the sale of policies marketed as supplements to Medicare coverage, the relationship of the premiums for such policies to claims paid, and the effectiveness of the States in preventing unfair, deceptive, or misleading practices in the marketing and sale of such policies; and

(2) The increase in property and casualty insurance rates to small business owners, local governments, physicians, dentists and child care centers over the last seven years, including the extent of such increases, the relationship of increases to actual costs, the reasons for such increases, and the degree of competition in the market for such coverage. The study may include rate increases for self-insurers if the Commission deems it necessary.

(b) The Commission shall have authority under section 6 of the Federal Trade Commission Act (15 U.S.C. 46), to conduct such studies and shall report to Congress within one year the results of such studies. In the event additional time is required to complete such studies, the Commission shall make an interim report within one year. The Commission shall make such reports generally available to the public and other appropriate State officials.

EFFECTIVE DATE

SEC. 20. (a) Except as provided in subsections (b), (c), (d), and (e) of this section, the provisions of this Act shall take effect on the date of enactment of this Act.

(b) The amendment made by section 2 of this Act shall apply only with respect to proceedings under section 5 of the Federal Trade Commission Act after the date of enactment of this Act. This amendment shall not be construed to affect in any manner a cease and desist order which was issued, or a rule which was promulgated, before the date of enactment of this Act. This amendment shall not be construed to affect in any manner a cease and desist order issued after the date of enactment of this Act, if such order was issued pursuant to remand from a court of appeals or the Supreme Court of an order issued by the Federal Trade Commission before the date of enactment of this Act.

(c) The amendments made by sections 7 and 9 of this Act shall apply only with respect to cease and desist orders issued under section 5 of the Federal Trade Commission Act (15 U.S.C. 45), or to rules promulgated under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a), after the date of enactment of this Act. These amendments shall not be construed to affect in any manner a cease and desist order which was issued, or a rule which was promulgated, before the date of enactment of this Act. These amendments shall not be construed to affect in any manner a cease and desist order issued after the date of enactment of this Act, if such order was issued pursuant to remand from a court of appeals or the Supreme Court of an order issued by the Federal Trade Commission before the date of enactment of this Act.

(d) The amendments made by sections 6 and 11 of this Act shall apply only to rulemaking proceedings initiated after the date of enactment of this Act. These amendments shall not be construed to affect in any manner a rulemaking proceeding which was initiated before the date of enactment of this Act.

(e) The amendments made by section 8 of this Act shall apply only with respect to compulsory process issued after the date of enactment of this Act.

MOTION OFFERED BY MR. THOMAS A. LUKEN

Mr. THOMAS A. LUKEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS A. LUKEN moves to strike out all after the enacting clause of the Senate bill, S. 677, and to insert in lieu thereof the provisions of H.R. 2897, as passed, as follows:

SECTION 1. SHORT TITLE, REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Federal Trade Commission Act Amendments of 1987".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Trade Commission Act.

SEC. 2. UNFAIR METHODS OF COMPETITION.

Section 5 (15 U.S.C. 45) is amended by adding at the end the following:

"(n) The Commission shall not have any authority to find a method of competition to be an unfair method of competition under subsection (a)(1) if, in any action under the Sherman Act, such method of competition would be held to constitute State action.".

SEC. 3. PROCEEDINGS SUBSEQUENT TO ORDERS.

(a) CIVIL PENALTIES.—Section 5(m)(1)(B) (15 U.S.C. 45(m)(1)(B)) is amended by inserting ", other than a consent order," immediately after "order" the first time it appears.

(b) DETERMINATIONS OF LAW.—Section 5(m)(2) (15 U.S.C. 45(m)(2)) is amended by adding at the end the following: "Upon request of any party to such an action against such defendant, the court shall also review the determination of law made by the Commission in the proceeding under subsection (b) that the act or practice which was the subject of such proceeding constituted an unfair or deceptive act or practice in violation of subsection (a).".

SEC. 4. EFFECTIVE DATE OF ORDERS.

Section 5(g) (15 U.S.C. 45(g)) is amended to read as follows:

"(g) An order of the Commission to cease and desist shall become final as follows:

"(1) Upon the expiration of the time allowed for filing a petition under subsection (c) for review if no such petition has been duly filed within such time, except that the Commission may after the order becomes final modify or set it aside to the extent provided in the last sentence of subsection (b).

"(2) Upon the 60th day after such order is served if a petition under subsection (c) for review has been duly filed, except that any such order may be stayed, in whole or in part and subject to such conditions as may be appropriate, by—

"(A) the Commission,

"(B) an appropriate court of appeals of the United States if (i) a petition for review of such order is pending in such court, and (ii) an application for such a stay was previously submitted to the Commission and the Commission, within the 30-day period beginning on the date the application was received by the Commission, either denied the application or did not grant or deny the application, or

"(C) the Supreme Court if an applicable petition for a writ of certiorari is pending.

"(3) For purposes of subsection (m)(1)(B) and section 19(a)(2)—

"(A) if a petition under subsection (c) for review of the order of the Commission has been filed and if the order of the Commission has been affirmed or the petition for review has been dismissed by a court of appeals of the United States and no petition for certiorari has been duly filed, upon the expiration of the time allowed for filing a petition to the Supreme Court for a writ of certiorari,

"(B) if a petition under subsection (c) for review of the order of the Commission has been filed and if the order of the Commission has been affirmed or the petition for review has been dismissed by a court of appeals of the United States, upon the denial of a petition for a writ of certiorari, or

"(C) if a petition under subsection (c) for review of the order of the Commission has been filed, upon the expiration of 30 days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed.

"(4) In the case of an order requiring a person, partnership, or corporation to divest itself of stock, other share capital, or assets—

"(A) if a petition under subsection (c) for review of such order of the Commission has been filed and if the order of the Commission has been affirmed or the petition for review has been dismissed by a court of appeals of the United States and no petition for certiorari has been duly filed, upon the expiration of the time allowed for filing a petition to the Supreme Court for a writ of certiorari,

"(B) if a petition under subsection (c) for review of such order of the Commission has been filed and if the order of the Commission has been affirmed or the petition for review has been dismissed by a court of appeals of the United States upon the denial of a petition for a writ of certiorari, or

"(C) if a petition under subsection (c) for review of such order of the Commission has been filed, upon the expiration of 30 days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed.".

SEC. 5. CIVIL INVESTIGATIVE DEMANDS.

(a) SECTION 20(a).—Section 20(a)(15 U.S.C. 57b–1(a)) is amended—

(1) in paragraph (2), by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission";

(2) in paragraph (3), by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "acts or practices or methods of competition declared unlawful by a law administered by the Commission"; and

(3) in paragraph (7), by striking "unfair or deceptive act or practice in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission".

(b) SECTION 20(b).—Section 20(b) (15 U.S.C. 57b–1(b)) is amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by a law administered by the Commission".

(c) SECTION 20(c).—Section 20(c)(1) (15 U.S.C. 57b–1(c)) is amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by a law administered by the Commission".

(d) SECTION 20(j).—Section 20(j) (15 U.S.C. 57b–1(j)) is amended by inserting immediately before the semicolon the following: ", any proceeding under section 11(b) of the Clayton Act, or any adjudicative proceeding under any other provision of law".

SEC. 6. AGRICULTURAL COOPERATIVES.

The Federal Trade Commission Act is amended by redesignating sections 24 and 25 as sections 27 and 28, respectively, and by inserting after section 23 the following:

"SEC. 24. (a) The Commission shall not have any authority to conduct any study, investigation, or prosecution of any agricultural cooperative for any conduct which, because of the provisions of the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 18, 1922 (7 U.S.C. 291 et seq., commonly known as the Capper-Volstead Act), is not a violation of any of the antitrust Acts or this Act.

"(b) The Commission shall not have any authority to conduct any study or investigation of any agricultural marketing orders.".

SEC. 7. DISAPPROVAL OF FTC RULES.

(a) AMENDMENT.—The Federal Trade Commission Act is amended by inserting after the section added by section 6 the following:

"SEC. 25. (a) The Commission, after promulgating a final rule, shall submit such final rule to the Congress for review in accordance with this section. Such final rule shall be delivered to each House of the Congress on the same day and to each House of Congress while it is in session.

"(b) Any final rule of the Commission shall become effective in accordance with its terms unless before the end of the period of 90 days of continuous session of Congress after the date such final rule is submitted to the Congress a joint resolution disapproving such final rule is enacted into law.

"(c)(1) If a final rule of the Commission is disapproved in accordance with this section, the Commission may promulgate another final rule which relates to the same acts or practices as the rule which was disapproved. Such other final rule—

"(A) shall be based upon—

"(i) the rulemaking record of the disapproved final rule; or

"(ii) such rulemaking record and any record established in supplemental rulemaking proceedings conducted by the Commission; and

"(B) may contain such changes as the Commission considers necessary or appropriate.

Supplemental rulemaking proceedings referred to in subparagraph (A)(ii) may be conducted in accordance with section 553 of title 5, United States Code, if the Commission determines that it is necessary to supplement the existing rulemaking record.

"(2) The Commission, after promulgating a final rule under this subsection, shall submit the final rule to Congress in accordance with subsection (a).

"(d) Congressional inaction on a joint resolution disapproving a final rule of the Commission shall not be construed—

"(1) as an expression of approval of such rule, or

"(2) as creating any presumption of validity with respect to such rule.

"(e)(1)(A) For purposes of subsection (b), continuity of session is broken only by an adjournment sine die at the end of the second regular session of a Congress.

"(B) The days on which either House of Congress is not in session because of an adjournment of more than five days to a day certain are excluded in the computation of the period specified in subsection (b).

"(2)(A) In any case in which a final rule of the Commission is prevented from becoming effective by an adjournment sine die at the end of the second regular session of the Congress before the expiration of the period specified in subsection (b), the Commission shall resubmit such rule at the beginning of the first regular session of the next Congress.

"(B) The period specified in subsection (b) shall begin on the date of a resubmission under subparagraph (A).

"(f) For purposes of this section:

"(1) The term 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the final rule promulgated by the Federal Trade Commission dealing with the matter of , which final rule was submitted to Congress on is disapproved.', the first blank being filled with the subject of the rule and such further description as may be necessary to identify it, and the second blank being filled with the date of submittal of the rule to the Congress.

"(2) The term 'rule' means any rule promulgated by the Commission pursuant to this Act other than a rule promulgated under section 18(a)(1)(A) or an interpretive or procedural rule.".

(b) CONFORMING AMENDMENT.—Section 21 of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57a-1) is repealed.

SEC. 8. INTERVENTION ACTIONS.

The Federal Trade Commission Act is amended by inserting after the section added by section 7 the following:

"SEC. 26. (a)(1) The Commission may not engage in any intervention action except in accordance with this section.

"(2) For purposes of this section, the term 'intervention action' means the conduct of any project for the purpose of—

"(A) submitting written statements, comments, or opinions to any local, State, or Federal agency, to a local or State legislative body, or to an officer or member of such an agency or body, or

"(B) appearing, other than as an original party in interest, before such an agency or body,

but does not include any law enforcement activity of the Commission or any administrative activity of the Commission relating to its operation.

"(b) Except where intervention action is required by Federal law, the Commission or the Commission staff may take an intervention action only upon the request of a Member of the House of Representatives or the Senate or upon the request, confirmed in writing, of a local, State, or Federal agency (other than the Commission), local or State legislative body, or any officer or member of such an agency or body. Such request—

"(1) must be received before intervention action is taken, and

"(2) may not be sought or otherwise solicited by the Commission or the Commission staff.

"(c)(1) Upon initiating an intervention action, the Commission shall notify the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, and in the case of State and local intervention actions, the United States Representatives and Senators from the State in which such intervention action will take place.

"(2) The notification required under paragraph (1) shall include—

"(A) the name of the Federal, State, or local agency or legislative body or officer or member thereof making the request for intervention action,

"(B) the date on or about which the Commission or the Commission staff expects to first submit statements, comments, or opinions in connection with the intervention action for which the notification is given, and

"(C) a statement of the reasons and justification for initiating the intervention action, including a copy of the requesting party's written request for intervention action.

"(d) The Commission only, and not the Commission staff, may make recommendations as to the amendment, enactment, defeat, or veto of legislation or the promulgation, amendment, or revocation of a rule or regulation.

"(e)(1) The Commission shall transmit the matter described in paragraph (2)—

"(A) to the party who requested the intervention action involving such matter,

"(B) to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, and

"(C) upon request, to any United States Representative or Senator.

The matter described in paragraph (2) shall otherwise be made available in accordance with section 552 of title 5, United States Code. The Commission may not transmit such matter to any person who is not referred to in subparagraph (A), (B), or (C) or who has not made a request under such section 552.

"(2) The matter referred to in paragraph (1) is—

"(A) copies of all statements, comments, or opinions made or rendered in an intervention action, and

"(B) a list of all significant documentary evidence, interviews, and other sources of information consulted in the formulation of the statements, comments, or opinions submitted in connection with the intervention action.

"(f) Not more than 5 percent of the amount appropriated for the Federal Trade Commission for any fiscal year may be obligated for the Commission's intervention action program in such fiscal year.

"(g) This section shall apply to intervention actions of the Commission until the date of the enactment of an Act which amends this Act to authorize appropriations for a fiscal year after fiscal year 1990.".

SEC. 9. CREDIT UNIONS.

(a) Sections 5(a)(2), 6(a), and 6(b) (15 U.S.C. 45 (a)(2) and 46(b)) are each amended by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions described in section 18(f)(4),".

(b) The second proviso in section 6 (15 U.S.C. 46) is amended—

(1) by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions described in section 18(f)(4),", and

(2) by inserting immediately after "in business as a savings and loan institution," the following: "in business as a Federal credit union,".

(c)(1) The second sentence of section 18(f)(1) (15 U.S.C. 57a(f)(1)) is amended—

(A) by striking out "and the Federal Home" and inserting in lieu thereof ", the Federal Home", and

(B) by inserting ", and the National Credit Union Administration Board (with respect to Federal credit unions described in paragraph (4))" after "paragraph (3))".

(2) The third sentence of such section is amended—

(A) by striking out "or savings and loan institutions described in paragraph (3)" each place it appears and inserting in lieu thereof ", savings and loan institutions described in paragraph (3), or Federal credit unions described in paragraph (4)",

(B) by striking out "(A) either such Board" and inserting in lieu thereof "(A) any such Board", and

(C) by inserting ", savings and loan institutions, or Federal credit unions" after "with respect to banks".

(4) Section 18(f) (15 U.S.C. 57a(f)) is amended by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively, and by inserting immediately after paragraph (3) the following:

"(4) Compliance with regulations prescribed under this subsection shall be enforced with respect to Federal credit unions under sections 120 and 206 of the Federal Credit Union Act (12 U.S.C. 1766 and 1786).".

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

Section 27 (15 U.S.C. 57c) (as so redesignated) is amended to read as follows:

"SEC. 27. To carry out the functions, powers, and duties of the Commission there are authorized to be appropriated $69,850,000 for fiscal year 1988, $70,850,000 for fiscal year 1989, and $71,850,000 for fiscal year 1990, and such additional sums for fiscal years 1988, 1989, and 1990 as may be necessary for increases in salary, pay, and other employee benefits as authorized by law.".

SEC. 11. ADVERTISING STUDY.

The Federal Trade Commission shall conduct a study of advertising which uses the offering of the opportunity to receive anything of value as an inducement to purchase that which is being advertised to determine if such advertising constitutes an unfair or deceptive practice. The Commission shall complete the study not later than one year from the date of the enactment of this Act and shall report the results of the study to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

SEC. 12. REPORT ON RESALE PRICE MAINTENANCE.

(a) IN GENERAL.—The Federal Trade Commission shall submit to the Committee on Energy and Commerce of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate the information specified in subsection (b) of this section every 6 months during each of the fiscal years 1988, 1989, and 1990. Each such report shall contain such information for the period since the last submission under this section.

(b) REPORT CONTENTS.—Each such report shall list and describe, with respect to instances in which resale price maintenance has been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission,

(2) each preliminary investigation opened or closed at the Commission,

(3) each formal investigation opened or closed at the Commission,

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission,

(5) each complaint issued by the Commission pursuant to section 5 of the Federal Trade Commission Act (15 U.S.C. 45),

(6) each opinion and order entered by the Commission,

(7) each consent agreement accepted provisionally or finally by the Commission,

(8) each request for modification of an outstanding Commission order filed with the Commission,

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order,

(10) each disposition by the Commission of a request for modification of an outstanding Commission order, and

(11) the number of hours worked by the Commission staff on the activities described in paragraphs (1) through (10).

Such report shall include copies of all consent agreements and complaints executed by the Commission. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The description required under this subsection shall be as complete as possible but shall not reveal the identity of persons or companies making the complaint, those complained about, or those subject to investigation if such identity has not otherwise been made public.

SEC. 13. REPORT ON PREDATORY PRICING.

(a) IN GENERAL.—The Federal Trade Commission shall submit to the Committee on Energy and Commerce of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate the information specified in subsection (b) of this section every 6 months during each of the fiscal years 1988, 1989 and 1990. Each such report shall contain such information for the period since the last submission under this section.

(b) REPORT CONTENT.—Each such report shall list and describe, with respect to instances in which predatory pricing practices have been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission,

(2) each preliminary investigation opened or closed at the Commission,

(3) each formal investigation opened or closed at the Commission,

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission,

(5) each complaint issued by the Commission,

(6) each opinion and order entered by the Commission,

(7) each consent agreement accepted provisionally or finally by the Commission,

(8) each request for modification of an outstanding Commission order filed with the Commission,

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order,

(10) each disposition by the Commission of a request for modification of an outstanding Commission order, and

(11) the number of hours worked by the Commission staff on the activities described in paragraphs (1) through (10).

Such report shall include copies of all consent agreements and complaints executed by the Commission. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The descriptions required under this subsection shall be as complete as possible but shall not reveal the identity of persons or companies making the complaint, those complained about, or those subject to investigation if the identity has not otherwise been made public. The report shall include any evaluation by the Commission of the potential impacts of predatory pricing upon businesses (including small businesses).

SEC. 14. INSURANCE STUDIES.

(a) IN GENERAL.—The Federal Trade Commission shall conduct comprehensive studies of—

(1) the use of potentially unfair, deceptive, or misleading practices in the sale of health insurance policies to the elderly, including the sale of policies marketed as supplements to coverage under title XVIII of the Social Security Act, the relationship of the premiums for such policies to claims paid, and the effectiveness of the States in preventing unfair, deceptive, or misleading practices in the marketing and sale of such policies, and

(2) the increase in property and casualty insurance rates to small business owners, local governments, physicians, nurses, nurse-midwives, dentists, and child care centers over the last 7 years, including the extent of such increases, the relationship of increases to actual costs, the reasons for such increases, and the degree of competition in the market for such coverage.

The study described in paragraph (2) may include rate increases for self-insurers if the Commission deems it necessary.

(b) AUTHORITY, REPORT.—

(1) In conducting the studies under subsection (a), the Federal Trade Commission may exercise the authority of the Commission under section 6(b) of the Federal Trade Commission Act.

(2) The Commission shall report to Congress within one year the results of the studies under subsection (a). In the event additional time is required to complete such studies, the Commission shall make an interim report within one year. The Commission shall make such reports generally available to the public and appropriate State officials.

SEC. 15. LIFE CARE HOME STUDY.

(a) STUDY.—The Federal Trade Commission shall conduct a study of unfair and deceptive practices in the life care home industry, including practices engaged in by life care homes. Within 24 months of the date of the enactment of this section, the Commission shall report the findings and conclusions of the study to Congress. If the Commission finds a rulemaking is warranted under section 18 of the Federal Trade Commission Act, the Commission shall, promptly after completion of the study, initiate a trade regulation rule proceeding under such section 18 respecting unfair and deceptive acts or practices in the life care home industry. If the Commission determines a rulemaking is not warranted, the Commission shall include in the report to Congress the reasons for such determination.

(b) DEFINITIONS.—For purposes of subsection (a):

(1) The term "life care home" includes the facility or facilities occupied, or planned to be occupied, by residents or prospective residents where a provider undertakes to provide living accommodations and services pursuant to a life care contract.

(2) The term "life care contract" includes a contract between a resident and a provider to provide the resident, for the duration of such resident's life, living accommodations and related services in a life care home, including nursing care services, medical services, and other health-related services, which is conditioned upon the transfer of an entrance fee to the provider and which may be further conditioned upon the payment of periodic service fees.

SEC. 16. NATIVE AMERICAN ARTS AND CRAFTS.

(a) COMPLAINTS.—The Federal Trade Commission shall monitor complaints received by the Commission on the marketing of imported imitation Native American arts, crafts, and silver jewelry to determine the extent to which such arts, crafts, and silver jewelry contain the English name of their country of origin by means of etching, engraving, die stamping, raised lettering, or other equally permanent method of marking. Upon the expiration of 18 months after the date of the enactment of this Act, the Commission shall report to the Congress on the results of the monitoring under this subsection.

(b) INFORMATION BROCHURE.—The Federal Trade Commission shall revise and distribute a consumer information brochure to assist consumers in filing complaints with the Commission on the sale of imported imitation Native American arts, crafts, and silver jewelry. The revised brochure shall be completed and distribution begun not later than 6 months after the date of the enactment of this Act.

SEC. 17. DECEPTIVE MAILINGS.

(a) STUDY.—The Federal Trade Commission shall conduct a comprehensive study of

the degree, type, and pervasiveness of deceptive mail practices in conjunction with the sale of products or services related to governmental functions and the severity of the actual or potential consumer injury from such practices. In conducting the study, the Commission shall include an examination of—

(1) solicitations by non-governmental entities for the purchase of products or services which are in fact provided either free of charge or at a lower price by the Federal Government, and

(2) solicitations by non-governmental entities for the purchase of products or services which bear a seal, insignia, trade or brand name, or any other term or symbol implying Federal Government connection, approval, or endorsement.

(b) REPORT.—Not later than the expiration of 18 months after the date of the enactment of this Act, the Federal Trade Commission shall report to the Congress the results of the study under subsection (a). If the Commission finds that a rulemaking under the Federal Trade Commission Act respecting deceptive mail practices is warranted, the Commission shall, promptly after completion of the study, initiate a trade regulation rule proceeding respecting such practices, except that the Commission may proceed under section 553 of title 5, United States Code. If the Commission determines that a rulemaking respecting such practices is not warranted, it shall include in its report under this subsection its reasons for such determination.

SEC. 18. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsections (b), (c), and (d) of this section, the amendments made by this title shall take effect on the date of enactment of this Act.

(b) SECTIONS 2 AND 4.—

(1) The amendment made by section 2 shall apply only with respect to proceedings under section 5 of the Federal Trade Commission Act after the date of enactment of this Act. The amendment made by section 4 shall apply only with respect to cease and desist orders issued under section 5 of the Federal Trade Commission Act (15 U.S.C. 45) or to rules promulgated under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) after the date of enactment of this Act.

(2) The amendments made by sections 2 and 4 shall not be construed to affect in any manner a cease and desist order which was issued, or a rule which was promulgated, before the date of enactment of this Act. Such amendments shall not be construed to affect in any manner a cease and desist order issued after the date of enactment of this Act, if such order was issued pursuant to remand from a court of appeals or the Supreme Court of an order issued by the Federal Trade Commission before the date of enactment of this Act.

(c) SECTION 5.—The amendments made by section 5 shall apply only with respect to compulsory process issued after the date of enactment of this Act.

(d) SECTION 8.—The amendments made by section 8 shall apply only with respect to intervention actions taken after the date of the enactment of this Act.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to amend the Federal Trade Commission Act to extend the authorization of appropriations in such Act, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 2897) was laid on the table.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I ask for this 1 minute for the purpose of seeking the schedule for the balance of the day and the week.

Mr. Speaker, I am glad to yield to the distinguished majority leader so we could be advised of what the schedule is for today. I understand we have completed our work for today and we do not have any further legislative votes scheduled this week. Is that correct?

I am glad to yield to the gentleman from Washington [Mr. FOLEY] also for the purpose of receiving the schedule for next week.

Mr. FOLEY. Mr. Speaker, if the gentleman will yield, he is correct. We have concluded the legislative business for today.

Tomorrow we will be in pro forma session from 10 a.m., and on Friday we will be in pro forma session from 12 noon to accommodate the Republican conference meeting, I believe.

The schedule for next week will be that on Monday, October 12 the House will not be in session in honor of Columbus Day.

On Tuesday, October 13 the House will meet at noon and consider five bills under suspension of the rules:

S. 1666, physicians comparability allowance extension;

H.R. 2961, Federal Communications Commission authorization;

H.R. 3189, Health Services Research Extension Act of 1987;

H.R. 2472, National Telecommunications and Information Administration; and

H.R. 2090, Montana wilderness.

There is also H.R. 3025, Appalachian low-level radioactive waste compact, subject to a rule being granted.

On Wednesday and the balance of the week, October 14, 15, and 16, the House will meet at 10 a.m. on:

H.R. 162, High Risk Occupational Disease Notification and Prevention Act of 1987 (open rule, 1½ hours of debate); and

S. 640, Water and Power Authorization Act of 1987 (subject to a rule).

As usual, conference reports may be brought up at any time, and further program may be announced later.

Mr. LOTT. Mr. Speaker, I thank the gentleman.

With regard to Tuesday, those suspensions if there are any votes, the votes will be postponed until the end of the day, is that correct?

Mr. FOLEY. Mr. Speaker, if the gentleman will yield further, he is correct.

Mr. LOTT. After the five suspensions, and after the Appalachian low-level radioactive waste compact legislation, is that correct?

Mr. FOLEY. Mr. Speaker, the gentleman is correct, yes.

I would like to emphasize, because some Members have wondered whether we would roll those votes until Wednesday, we are not going to do that. Monday is a holiday, and on Tuesday we will be voting on the Appalachian low-level radioactive waste compact, and also on the suspensions at the end of the legislative business.

Mr. LOTT. The point I am trying to emphasize, because Members have been asking about this already, is we should anticipate votes on Tuesday even if the suspensions should get through without a recorded vote being demanded, if we are going to take up the rule on the Appalachian low-level radioactive waste compact bill, and we would have a vote or votes on that.

Mr. FOLEY. Mr. Speaker, nothing in this world or certainly in the House is certain, but I can say that the likelihood of votes on Tuesday actually occurring is 99.999 percent.

Mr. LOTT. That is a pretty strong assurance considering what we have been getting some times in the past, but I think we should emphasize that.

Mr. FOLEY. I am happy to offer the gentleman whatever assurances I can, and I am happy to give him this assurance.

Mr. LOTT. And it is not anticipated at this time that there would be legislative business on Friday?

Mr. FOLEY. It is not anticipated at this time that there will be legislative business on Friday, that is right.

Mr. LOTT. Mr. Speaker, I hate to do this, but let me jump over to November, because we have a little bit of a problem date in November and Members are already beginning to ask about it because they need to know whether or not they can schedule events for Wednesday, November 11, which is Veterans Day.

I assume that we will certainly be off at least that day.

Can you confirm that, and whether or not at this point you know whether it will be the next 2 days or not?

Mr. FOLEY. Mr. Speaker, I would like to be able to confirm that November 11, Veterans Day, will be a holiday and the House will not be in session. Unfortunately, it is not certain that the President will have received a continuing resolution or other satisfactory conclusion of appropriations authority by November 11.

As the gentleman knows, November 10 is the expiration date of the current continuing resolution. We hope that we will be able to take off not only on Wednesday, November 11, but perhaps

the balance of that week. However, it would be unwise for Members to schedule even on November 11, I repeat that it would be unwise for Members to schedule even on November 11, Veterans Day, engagements which would create embarrassment if they had to be canceled because of a session of the House.

We have to give absolute priority to the continuation of authority for the operation of the government. I am sure Members would realize that even in honor of veterans for the House not to be in session while veterans benefits and other salaries and essential services of the Government were being interrupted would create a poor way to honor that holiday. But I am confident that with cooperation from the executive branch we will be able to accomplish a veterans' holiday.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. Mr. Speaker, I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I would like to talk in behalf of the veterans, if I could, for just a few minutes.

Mr. Speaker, actually November 11 is a national holiday and Members, Mr. Leader, for months now have made engagements and I fully realize that this continuing resolution and other resolutions are very, very important but still consideration has to be given to Members who have made plans for several months now.

I called the Speaker's office and I was told we would be off on November 11, 12, and 13.

Mr. FOLEY. Mr. Speaker, if the gentleman will yield, I will tell the gentleman that chances of that are very high indeed, but I cannot give the kind of assurance that would say that under no circumstances will we have a session on November 11, 12 or 13 regardless of the fact of the Government having authority to continue in operation. That one condition exists because of the expiration of the CR, that is the one condition that I am stating where it would actually be perhaps necessary for us to stay in session.

Other than that, there will be no routine business scheduled for November 11 and we will not attempt to keep Members in session for consideration of any other business except the absolute essential conclusion of the CR to provide for the Government to operate.

Mr. MONTGOMERY. Mr. Speaker, if the gentleman will continue to yield, can the gentleman give us a 99.99-percent assurance that he gave us earlier on that?

Mr. FOLEY. Mr. Speaker, what I want to tell Members is we must conclude action on the CR by November 11.

On November 10 it expires and that must be taken care of. Members should not assume that we can simply avoid doing that and come back the following week. That is not possible, just as we would have to have a Sunday session if that were necessary to conclude the CR. We have not had more than two Sunday sessions in this House in 40 years, but we would have to have a Sunday session in that event.

Mr. MONTGOMERY. Mr. Speaker, could I ask the gentleman to give us that 99.99-percent assurance?

Mr. FOLEY. The chances are probably 99.99 against it happening, but the gentleman should be warned that if we have not concluded action on the CR by midnight on November 10, we will continue in session on November 11.

Mr. MONTGOMERY. Mr. Speaker, if the gentleman will continue to yield, where is the big problem on the CR?

Mr. FOLEY. I do not know that there is one, I will tell the gentleman. I just cannot give Members the assurance because of the conjunction of these two dates that we will under all circumstances take off November 11 even if the government is being closed down as a result of the failure of the President to sign a CR. I cannot give that assurance.

I think that cooperation between the two sides of the aisle and the executive branch can virtually guarantee that Members will meet their commitments.

If you ask me, will we permit the government to go into a condition of shutdown because we are going to take off on November 11, 12, and 13, I cannot give that assurance. I want to honor Veterans Day as the gentleman does, and I think that commitments will be able to be kept, but again I cannot give assurance that we would be able to take off on a Sunday, as I have said, if that condition is not met. There is nothing that can be done to give greater assurance than I have given the gentleman, and I hope that there will be no problem. We simply must conclude the action on the CR.

Mr. LOTT. Mr. Speaker, I thank the gentleman for that information. We will make Xerox copies of the colloquy so the Members will be able to determine exactly what they might do.

Mr. FOLEY. If the gentleman will continue to yield, I think the best I can suggest is that all working together in the spirit of proper cooperation, we will be off on November 11.

Mr. LOTT. Mr. Speaker, I thank the gentleman very much for that. I do think the gentleman can assure us about one other holiday, December 25?

Mr. FOLEY. If the government is meeting its obligations, we will be off on Christmas.

Mr. LOTT. Mr. Speaker, I thank the gentleman.

Mr. FOLEY. Do you want to ask about News Year's Eve?

Mr. LOTT. No, no, but the Speaker has announced that we are going to plan on being out by November 21. I think that has been announced publicly, but it has not been announced, there has not been anything of that type announced on the floor.

Is that the intention of the leadership?

Mr. FOLEY. Mr. Speaker, I emphasize "intention." Yes. the gentleman is correct, it is the intention, the hope, the prayer, but not necessarily the prediction of this side.

Mr. LOTT. Mr. Speaker, I thank the gentleman.

Mr. FOLEY. Mr. Speaker, I would like to respond to the gentleman's previous question because I do not want to leave it entirely in a facetious setting.

□ 1515

The Speaker is determined to exercise every effort to conclude the House business and to put the House in a position to adjourn on the 21st or by the 21st of November; but again there are problems that could arise, including actions that the other body had not concluded which would make the possibility of some later sessions beyond the 21st something that Members would have to consider.

Again I would suggest that while we are going to work toward that goal, Members should be cautious about undertaking any commitments or leaving the city, planning to do so without recognizing the possibility the House may be in session after Thanksgiving.

We hope that that will not be the case, but it is always a possibility.

Let me cite the gentleman the historic record. In the last 10 years going from 1977 to 1987 in dealing only with off years, not election years, the House has adjourned once in October, once in November, twice in December, and once in January.

Mr. LOTT. Are we supposed to take comfort from that?

Mr. FOLEY. No, the gentleman is not to take comfort.

The citation is to somewhat cast a pall of realism and history over the hopes and expectations for a November recess.

Mr. LOTT. The Independent Counsel Act scheduled last week was withdrawn, and the word we received was that it would be scheduled for Thursday of this week, and it is not.

Nothing else is scheduled for Thursday, and I am not complaining, but just so the Members will know that are involved in that, does the gentleman anticipate any date certain?

Mr. FOLEY. I do not have a date to give the gentleman at this time.

The bill will be considered in this session of Congress obviously, and

before we adjourn and prior to its expiration in January, with the anticipation that there will be action on the other side.

Mr. LOTT. Please give the Members as much lead time on that as possible. We did not know for sure whether or not it would be taken up tomorrow until about 15 minutes ago, so if it is going to be brought up, if we could get a couple of days' notice, it would be appropriate.

Mr. FOLEY. We always inform the minority within the hour after a decision has been made, and sometimes the decisions are made late in the week.

We do not delay informing the minority immediately of any measure scheduled.

Mr. LOTT. Mr. Speaker, one last question on bills that may or may not be scheduled.

We have three major appropriations bills that have not yet been reported from the Committee on Appropriations: Defense, Agriculture, and Foreign Affairs.

Do we have any information? We are into the fiscal year. Do we have any idea when those appropriations bills will be brought up, if ever?

Mr. FOLEY. The Committee on Appropriations is working on the Foreign Operations, and they are working on the other bills at this moment; and the Agriculture bill will be considered in the committee this week, so I think that we are moving forward to complete all of the appropriations bills.

I would report some, as the gentleman knows, some increase in activity in the other body; and we anticipate that that will continue, and that the appropriation bills will be, a great number of them, will be in conference soon.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding to me.

Over in the other body, they seem to be particularly anxious to release whip counts on the subject of Judge Bork. I am wondering, since the whip count seems to be driving whether or not we consider the independent prosecutor bill and the subject of the Shaw amendment, whether or not we might be able to get the numbers released on that, so we have some kind of idea where it stands, and when we might be able to get some consideration of the matter.

Mr. FOLEY. Mr. Speaker, if the gentleman will continue yielding to me, it has been suggested to me, it is in the same state of expectation as the confirmation of Judge Bork.

Mr. WALKER. Sometime in November, is that what the gentleman is saying?

Mr. FOLEY. No. What I am saying is that those who expect the adoption of that amendment should not wager anything material on it.

I think it is unlikely the amendment will be adopted, but until it is considered by the House, no Member has any way of knowing.

Mr. WALKER. It would be helpful to some of the Members if we would be as forthcoming with the vote count taken by the whips as the gentleman, Mr. CRANSTON, is in the other body.

Mr. FOLEY. We have our own ways. Each body has the tradition to observe, and they are wondrous in their differences.

Mr. WALKER. I understand. We have some wondrous ways.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman for yielding to me.

Woodrow Wilson once said that you should never murder a man who is in the process of committing suicide.

I must ask our distinguished majority leader, first of all, as I figured out from the gentleman's report of history, December 12 is the break-even point.

If we get out before December 12, the new leadership team is winning. Every day after December 12 is later than the average for the last 10 years, off-election years. Is that a fair summary?

Mr. FOLEY. Mr. Speaker, if the gentleman will yield further, I have to consult my historian, but I think the date may be a little bit later.

If the gentleman assures me it is the 12th of December that is the average, of course, we will strive to meet that.

Mr. GINGRICH. It was our hope we could find a single date to measure, because these floating dates get complicated.

The welfare reform bill, which is a peculiarly expensive and liberal perversion of that term, is going to be wrapped into reconciliation under one scenario.

Would it not be useful, when we have entire days at a time to stay in and to actually bring up the welfare-reform bill, and possibly even under an open rule, a radical thought, allow the House to actually have a bill on which it could do major work?

Mr. FOLEY. I will certainly pass that suggestion along.

Mr. GINGRICH. I appreciate it.

Mismanagement and misscheduling are clearly the prerogative of the majority. I remember the last Speaker reminding the Members on occasion, the power to schedule is the Speaker's power; but as we get into the more relaxed and friendly season of Thanksgiving, Christmas, New Year's, and Super Bowl, at some point might I suggest we might want to try to work towards rationality?

For example, if we were going to randomly have 5 days off, if we were to put them all in the same week, Members could go home and stay there for a week and do work during a week. There are a number of these innovations.

Mr. FOLEY. We are giving an opportunity this week for Members to leave early tomorrow or late tonight and go home for virtually a week.

That is an opportunity that I know Members cherish; and in the gentleman's case, the gentleman has an opportunity to return promptly to Georgia and to return on Tuesday next or later, if he chooses.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Mississippi, who has some more information.

Mr. MONTGOMERY. I thank the gentleman for yielding to me.

Mr. Speaker, because of the pro forma session tomorrow, I am 100 percent sure we are not going to have the prayer breakfast in the morning.

Mr. LOTT. 100 percent sure we are not going to have the prayer breakfast?

Mr. MONTGOMERY. Yes.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield further?

Mr. LOTT. I yield to the gentleman from Georgia.

Mr. GINGRICH. Having just on Monday passed a bill to protect airline travelers, having today once again fought hard over an amendment to protect airline travelers, one of my concerns as a fiscal conservative is that we could buy tickets in advance, particularly the gentlemen in the West, and go home less expensively and structure our lives so that our wives, our children, all of our relations would know we are coming.

Many things could be accomplished if we had some rationale in the schedule.

Mr. FOLEY. Mr. Speaker, if the gentleman will continue to yield, I appreciate the gentleman's comment.

I hope the gentleman will consider the problems, the burdens that I and others on this side have to carry with respect to the schedule.

If we inform the House that there will be a Friday session, there are groans of unhappiness, because the opportunity to be home with constituents and carrying on that important part of congressional business has been interrupted by a session of Congress.

If we, on the other hand, announce to Members that there will not be a session tomorrow, instead of being greeted by applause, there are groans of concern, so it is to some extent a criticized if you do, criticized if you

don't, damned if you do, damned if you don't, situation.

We do try to give Members as much opportunity to make advance plans as possible, and we are going to be consulting, by the way, with Members on the minority side, as well as with Members on this side, for suggestions on how to improve the scheduling in the next session of the 100th Congress.

As sessions end, there is always the difficulty of being absolutely certain about schedules because of actions in the other body, actions in the administration.

We would be delighted and plan to conclude this session as early as possible; and if we can get some understanding and cooperation, not only from the minority, which I know the gentleman is anxious to provide, but from the executive branch, we will be home by Thanksgiving.

Mr. FRANK. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Massachusetts.

Mr. FRANK. Mr. Speaker, I was going to suggest one big schedule improvement would be to end this colloquy right now.

Mr. FOLEY. Mr. Speaker, if the gentleman will continue to yield to me, I would like to correct a statement I made earlier in response to the gentleman from Mississippi.

The House will be in session tomorrow with unanimous-consents, and will be in pro forma on Friday. There will be no record votes tomorrow.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore (Mr. HUTTO). Is there objection to the request of the gentleman from Washington?

There was no objection.

HOUR OF MEETING ON FRIDAY NEXT AND ADJOURNMENT OF THE HOUSE FROM FRIDAY NEXT TO TUESDAY, OCTOBER 13, 1987

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Thursday, it adjourn to meet at noon on Friday, October 9, and that when the House adjourns on Friday, it adjourn to meet at noon on Tuesday, October 13, 1987.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington.

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO HAVE UNTIL 5 P.M. TOMORROW, OCTOBER 8, 1987, TO FILE SUNDRY PRIVILEGED REPORTS

Mr. GORDON. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until 5 p.m. tomorrow, October 8, to file two privileged reports from the Committee on Rules providing for the consideration of H.R. 3025 and S. 640.

These are noncontroversial rules for bills which the leadership has scheduled for next week.

It is my understanding they will be open rules, and this has been cleared with the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

AUTHORIZING COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO TRANSACT CERTAIN BUSINESS AT CERTAIN TIMES NOTWITHSTANDING PROVISIONS OF HOUSE RULE XI

Mr. DIXON. Mr. Speaker, I ask unanimous consent of the House that during the period October 8 to 16, 1987, the Committee on Standards of Official Conduct be permitted to take testimony and other certain action by a quorum of one of its members, the provisions of House rule XI, clause 2(h)(1), notwithstanding.

This request has been approved by the ranking minority member.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

FAMINE IN ETHIOPIA

(Mr. FEIGHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FEIGHAN. Mr. Speaker, I am pleased to join the gentleman from Wisconsin in addressing the continuing and unfolding tragedy in Ethiopia.

Mr. Speaker, 3 years ago, 1 million Ethiopians died as a result of famine. At one point, 16,000 people were dying each day in famine camps throughout Ethiopia. We are now hearing reports that famine will be coming again to Ethiopia. The rains stopped suddenly this past June and July—and as many as 5 million Ethiopians will be threatened by famine by the end of this year.

Mr. Speaker, I want to commend the U.S. Agency for International Development for responding so quickly to this news. AID has already announced that 115,000 metric tons of emergency food commodities have been approved for shipment to Ethiopia. I applaud these actions. It's critical that needed foods reach Ethiopia's rural highlands before the famine starts.

But I also want to highlight an important underlying economic problem. Ethiopia has consistently refused to institute badly needed agricultural reforms. Now, although other African countries affected by this latest drought have food stocks from the past 2 good years to rely upon, Ethiopia has almost no food stocks.

We need to understand that a permanent end to hunger in Ethiopia will never occur on the basis of generous American humanitarian relief alone. Humanitarian relief is critical. But we also need to draw the world's attention to why the Ethiopian situation is so chronically desperate.

I'd like to submit a recent Christian Science Monitor article for inclusion in the CONGRESSIONAL RECORD, which describes this situation especially well. I urge my colleagues in the House to read this article and to follow these developments closely.

[From the Christian Science Monitor, Sept. 22, 1987]

WITHOUT REFORM, ETHIOPIA FACES MORE TROUBLE, U.S. SAYS

(By E. A. Wayne)

WASHINGTON.—United States foreign assistance officials are quickly gearing up for a new Ethiopian famine.

Pressure from "the public, not just in the US but from all Western donor nations," is needed to push the Ethiopian government to meet the food needs of its citizens, a top US foreign aid official says.

At present, "Ethiopia is not taking care of its people," she says.

The US and other Western donors are much better prepared today than during the 1983-85 famime to meet Ethiopian human needs before disaster strikes, US officials say. Nevertheless, the officials are extremely critical of the Ethiopian government's policies, which one official says only "exacerbate the agricultural problems" of the world's poorest country.

Late last week, three senior officials of the Agency for International Development (AID) shared their assessment of the famine in Ethiopia and US plans to assist. These top officials from AID's bureau for Africa, the office of foreign disaster assistance, and the bureau for peace and voluntary assistance said that a complex "famine early-warning system" is now in place to alert Western donors in times of crisis. This system was created in the wake of the massive 1983-1985 famine to allow foreign donors, including the United Nations and private voluntary organizations such as Save the Children Federation and CARE, to forecast food requirements and make arrangements for international and in-country transportation in an effort to meet hunger before a crisis. The system serves as a "trigger mechanism for government actions," the officials say.

Ethiopia's government has announced it will need 950,000 metric tons of grain aid next year. US and other experts accept this estimate (to be confirmed in November surveys) and say 13.7 million Ethiopians inhabit areas affected by this year's drought. Two

to 5 million people are thought to be in danger of famine.

AID is moving rapidly, the officials say, to provide an additional 115,000 metric tons of grain to the 20,000 tons already committed for the months ahead. US officials say this will meet about 38 percent of Ethiopia's emergency needs through next April. Other Western nations are expected to provide the rest.

The problem, however, goes beyond feeding starving Ethiopian peasants, officials say. "The [Ethiopian] government is taking no significant steps to improve the situation" of the country's farming sector, according to a senior AID official. Even in a normal year, he says, Ethiopia would fall short of its food needs, but its population is also growing by 1.5 million people a year. This means that without changes by 1990, Ethiopia will be 2 million metric tons short of its grain needs to feed its people in a normal year, he adds.

U.S. officials say the World Bank and other foreign donors have tried to urge agricultural reform and offered large amounts of money if the Ethiopian government would agree to a reform plan. The Marxist government, however, has refused to do this, they say, and continues to pump most of its resources into stateowned farms rather than peasant agriculture, which accounts for more than 90 percent of Ethiopia's food production.

Other countries in the region, such as Somalia, have begun needed reforms, US officials say. Though these countries still need food aid, it is less than would have been the case otherwise, the officials claims adding that these countries have been able to build up grain stocks.

Ethiopia's government, avowedly Marxist, has a poor human rights record, according to Amnesty International and other rights organizations.

"Political differences should not limit or slow our aid to innocent victims of hunger," says US Rep. Mickey Leland (D) of Texas, chairman of the Select Committee on Hunger.

Another AID official explains that with no bilateral aid program and few other ties, the US has very little government-to-government leverage on Ethiopia. But she adds that Western opinion does have an impact.

Negative publicity about Ethiopia's forced resettlement program (whereby hundreds of thousands of peasants were forcibly moved across Ethiopia) led to suspension of that program in January 1986, she says. This is the best lever, she argues, for pressing Ethiopian President Mengistu Haile-Mariam to change his agricultural policies as well as to prevent a renewed forced resettlement program.

US and other donors are taking steps to avoid other problems that arose in 1983-85 when the US sent $400 million in food aid to Ethiopia. They have prevailed on the Ethiopian government to promise not to raise port fees for relief deliveries. In 1983-85, Ethiopia charged $50 a ton to unload relief grain, while nearby Kenya charged only $12 a ton. Little of that money went into port improvement, US officials say.

Similarly, international donors are now studying transportation needs and resources to ensure that trucks and trains are available to deliver relief supplies. They are hoping to avoid a repeat of the situation in which the export of Ethiopian cash crops (coffee and cotton) slowed distribution of emergency food aid.

The US is trying to "build a coalition" of donors "to have leverage," according to a senior AID official. "However," he adds, "we're talking about a government that is not helping its own people, and they might just say 'too bad.'"

Fifty-eight US congressmen, headed by Toby Roth (R) of Wisconsin and William Gray III (D) of Pennsylvania, have introduced legislation banning coffee imports from Ethiopia, US investment of loans there, and any US support for international lending to Ethiopia, until Colonel Mengistu changes his policies.

□ 1530

YUGOSLAVIA—COMMUNISM WITH A DIFFERENCE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. CRANE] is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, a remarkable article appeared recently in the Washington Times, September 25, 1987, entitled "U.S., Yugoslavia seek military cooperation," by Andrew Borowiec. It indicated that a United States congressional delegation discussed with top Yugoslav defense officials "unprecedented" military cooperation including the construction of components of United States military hardware in Yugoslavia and United States supply of "sophisticated military material" to enable Yugoslavia to modernize its defense forces. Yugoslav sources explained that they could produce spare parts more cheaply than could United States plants.

U.S. assistance to a Communist dictatorship would seem self-defeating. But since the Allied betrayal of General Mihailovich and the forces struggling against the Nazi and Communist tyrannies in World War II, the United State Department has perpetuated the notion that Yugoslavia represents "communism with a difference." In this regard, our State Department treatment of Yugoslav communism is similar to our State Department treatment of Romania. The fiction is preserved that Romania, too, is "communism with a difference," and despite its horrifying human rights record, most-favored-nation treatment is allegedly a way of wooing Ceaucescu from the Soviet orbit. Our former Ambassador to Romania, David Funderburk, in his book "Pinstripes and Reds," explodes this myth, but not the momentum in the bowels of State that continues to push for such policies.

The Yugoslav's can, indeed, produce United States military equipment more cheaply than can U.S. plants. Workers on the production line at the Yugo plant make as little as 25 cents an hour. Certainly this is a factor behind the anticipated mass strikes in Yugoslavia this fall as it should be. Any American concerned about fair labor standards and unfair trade practices should keep this in mind before considering purchase of a Yugo car given this grass exploitation.

Moreover, the Communist dictators of Yugoslavia share another common feature with Ceaucescu—they are hopelessly corrupt. While Ceaucescu sells human beings who want to emigrate, the Communist officials in Yugoslavia who are running state enterprises have fraudulently issued promissory notes to the tune of at least $2 billion for their own personal gain. At the same time, what had been the most prosperous and productive country in the Balkan region prior to World War II has been transformed by the Communists since WWII into a terminal economic patient kept alive through such U.S. life support systems as commercial and multinational lending institutions and preferential access to U.S. markets.

Yugoslavia's outstanding world debt is pushing $19 billion, their inflation rate is well over 100 percent, and their unemployment stands at almost 17 percent. Small wonder, then, that Yugoslav officials would salivate over the prospect of increased business with the United States—at the expense of United States jobs and security.

One must keep security in mind when dealing with any Communist regime, Yugoslavia, for example, has maintained training camps for world terrorists. Have Americans forgotten, too, that the architect of the *Achille Lauro* hijacking Abu Abbas, was rescued and provided sanctuary in Yugoslavia by that Government's secret police?

This is the same government that sold mini-subs to Colonel Qadhafi to be used against U.S. ships in the Mediterranean. And CBS released an unconfirmed report that Yugoslavia has sold sophisticated sea mines to the Ayatollah Khomeini to be used against American vessels in the Persian Gulf. This is totally consistent behavior by an arms supplier to Vietnam, North Korea, Angola, Nicaragua, and the Communist terrorists in El Salvador. There is also a confirmed report that the Yugoslav Government, is producing sophisticated minirockets designed exclusively for the use of terrorists. And it is as naive to believe that any Yugoslav access to new technology is not immediately transferred to the Soviet Union as it is to believe that Ceaucescu does not serve as an immediate conduit for the Soviets.

If all of this were not enough, the "people's militia" in Yugoslavia has responded to protests by everyone from students and intellectuals to workers and minorities with brutal repression. In the Kosovo region, the Government's actions amount to genocide. And thoughout all of this, our State Department pursues a policy of silence and promotion of the fiction that this is "communism with a difference."

Zlatan Stamenich, Chairman of the Yugoslav Commission for Human Rights in the United States, if a former member of General Mikailovich's Army of the Fatherland, which heroically resisted the Nazi invasion of Yugoslavia. Chairman Stamenich reluctantly abandoned his homeland at the end of World War II because to him the wall between "Black Nazis" and "Red Nazis" was indistinguishable. But his dream for the ultimate realization of a free Yugoslavia, a Yugoslavia that fulfills General Mihailovich's expressed hopes for democracy and human rights observance in a postwar world remains undiminished. It is for that reason that Chairman Stamenich continues his struggle, along with thousands of other expatriates from Communist tyranny, to alert Americans to the truth about the sad fate that has befallen his homeland and especially to open the eyes of the United States State Department to its fundamental contradictions in glossing over the realities of contemporary Yugoslavia.

CREDIT CARD COMPANIES FIGHT FIRE WITH SMOKE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, once again I greet with great disappointment, but resignation, the tactics credit card companies choose to use in their attempts to nurture a "competitive atmosphere" in the credit card marketplace. While declaiming the need for legislation to control the exorbitant interest rates they charge, credit card issuers refuse to treat the American consumer fairly. The large money center banks continue to make enormous profits by using their market dominance and highly financed promotion campaigns to keep 75 million bankcard-holding customers confused, ill-informed, and overcharged.

In a recent advertisement directed at member banks entitled, "How to stop Optima from making off with your best customers," Visa outlines a series of advisories and support programs that it is providing to member bankcard issuers enabling them to compete with American Express' Optima card.

What causes them to focus on the Optima card is its competitive 13.5 percent interest rate, but, never once are rates mentioned. Visa does not mention their rates—averaging close to 19 percent—Optima's rate, and certainly not the idea that reducing rates would be the appropriate competitive move. Although the advertisement warns that Optima is targeted at "your most creditworthy * * * and valued" customers, the hard hitting campaign they describe never once states their true source of concern.

What is outlined is a series of promotion ploys, public relations gimmicks, and empty inducements to attract and retain customers. Visa warns its bankcard issuers that "valued cardholders lost to Optima means lost revenues from merchant fees, annual card fees and interest charges." I would like for us to remember that credit card companies view merchant fees and annual fees as revenue producers not revenue neutral.

Visa tells its card issuers that "this pro-Visa program can help you retain your valued cardholder base and blunt the ambitious plans American Express has for its Optima card." Visa concudes its advertisement offering marketing materials and a "Visa versus Optima" toll-free hotline. Visa can fund this unnecessary, and I'm sure outrageously expensive, promotion campaign through the obscene profits it earns by overcharging the American consumer. Rather than indulge in this expensive self-promotion, why not treat the consumer fairly, reduce rates, reduce excess, and engage in honest competition?

The reason these companies so fear Optima and not the small card issuers is that the American Express Optima card has a broad enough membership base to truly challenge the big issuers that keep bankcard interest rates artifically high. With the top 10 bankcard issuers—out of over 3,500—controlling 34 percent of the market and the top 100 controlling 70 percent, is it any wonder that bankcard interest rates continue to average over 18 percent?

At this point I'd like to make clear that I do not view American Express as some sort of white knight offering to save the American consumer from a fire-breathing credit card industry. American Express is as interested in profits as Visa and Mastercard.

While Optima advertises a 13.5-percent interest rate, a less advertised fact is that the rate will rise to 1.8 times the prime rate after June 30, 1988. At today's prime, the rate would be 15.75 percent. A significant increase; still a competitive rate. American Express knows how to make money and I can assure you that they would not be offering those rates unless they were profitable.

A very few, mostly small banks have dropped their rates to reasonable levels, but, most have not. The major money center banks have resisted competition through their market dominance, slick public relations, and national media campaigns. When confronted with a competitive challenge to their rates by a major issuer, they react violently.

Last spring, the threat of Optima's serious, national rate competition provoked an arrogant and legally challenged response from Mr. C.T. Russell, president of Visa. The day after American Express introduced its Optima card, Mr. Russell sent a mailgram to banks that issue Visa cards. Rather than viewing the Optima card as a healthy competitive challenge, Mr. Russell urged the Visa-issuing banks to call the head of American Express in protest and apply economic pressure. He suggested that banks discontinue offering American Express products in an effort to squeeze them financially.

Credit card companies are combative in protecting, as Mr. Russell describes it, one of their "more profitable lines of service." Not only do they resist any form of control, but they bridle at the insult of being challenged. They have made it clear that they will allow neither competition nor a sense of fairness and respect for the American consumer to deter them in their profit taking. Only Congress can ensure that the American consumer is no longer subject to the defiant unfairness of credit card companies and big card-issuing banks.

We must accept our responsibility as representatives of the American people and guarantee that they are treated fairly. When the bill on credit card information disclosure is brought to the floor, I will respond to the need of the American consumer and offer an amendment to cap credit card interest rates at 8 points above the yield on 1-year Treasury securities. This floating cap would presently allow for an interest rate of 15.1 percent. This well exceeds the interest rates now being charged by a few small-yet-profitable banks that are engaging in free-market competitive pricing. This legislation is a fair and reasoned response to the greed and arrogance of credit card companies and issuers.

TAX TREATMENT OF INSURANCE PRODUCTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, today the gentleman from Ohio [Mr. GRADISON] and I are introducing a bill that would alter the Federal income tax treatment of loans and other predeath distributions under life insurance contracts. This bill is designed to curtail the use of life insurance as a tax-favored investment vehicle by limiting the ability of policyholders to withdraw amounts tax-free from insurance contracts prior to death.

Under present law, the investment income earned on premiums credited under a life insurance contract is not subject to current taxation to the owner of the contract if the contract satisfies certain requirements that are designed to limit the investment orientation of the contract. Distributions under a life insurance contract prior to the death of the insured generally are treated as a recovery of the taxpayer's basis in the contract and then as income. The practical effect of these rules is that a taxpayer can receive annually an amount equal to the investment income on the contract without generating taxable income. No other form of investment, including IRA's, Keogh plans, 401(k) plans, and deferred annuities, is subject to such favorable tax treatment.

Because of the favorable income tax treatment that applies to life insurance contracts, many insurance companies have been marketing single premium and similar life insurance contracts as one of the few tax shelters remaining in the wake of the Tax Reform Act of 1986. In fact, sales of single premium life insurance, which is the most popular investment-oriented life insurance contract, have increased from $1.5 billion in 1985 to an estimated $10 billion in 1987. Sales of single premium life insurance have increased over 600 percent during the past 2 years, while sales of all other ordinary life insurance contracts combined have remained relatively unchanged.

Life insurance is now being offered with various mutual fund investment options, including the ability to invest in junk bonds and other

high yielding investments. The proliferation of these investment options, coupled with the ready access to earnings on a tax-favored basis, has attracted investors who have no intention of holding life insurance to provide death benefits to dependents. Rather, these investors are using life insurance as a means to shelter investment earnings from current taxation.

Mr. Speaker, the tax-favored treatment of life insurance is provided today because the financial protection of dependents after the death of an insured person is considered a socially desirable goal. The tax-favored treatment of life insurance can also be justified as a method of encouraging savings for retirement. This bill would ensure that favorable tax treatment is available only if the insurance contract is used primarily for these purposes.

Furthermore, life insurance should not receive more favorable tax treatment than other similar types of retirement savings. The bill introduced today represents an attempt to rationalize and coordinate the tax treatment of distributions from a life insurance contract prior to the death of the insured with the tax treatment of distributions from a deferred annuity contract, a qualified pension plan, or an IRA.

The bill contains three provisions that should curtail the use of life insurance as an investment vehicle: First, distributions under life insurance contracts would be treated as income first and then basis. Second, loans under life insurance contracts would be treated as distributions that are subject to tax to the extent of investment income under the contract. Third, an additional 10-percent income tax would be imposed on the portion of any distribution or loan under a life insurance contract that is includible in income. This additional tax would not apply if a distribution occurs: First, after the holder of the contract attains age 59½; second, on account of the holder's disability; or third, as part of an annuity-type distribution over the holder's life expectancy. These rules are substantially the same as the rules that apply currently to distributions from annuity contracts, qualified pension plans, and IRA's.

The bill would apply to loans and other predeath distributions that occur on or after the date of introduction but only to the extent that the amount distributed is allocable to premiums paid on or after such date. Our hope is that this effective date will reduce the purchase of life insurance solely as a tax-sheltered investment.

H.R. 3441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LOANS TREATED AS DISTRIBUTIONS; TREATMENT OF TRANSFERS.

(a) GENERAL RULE.—Paragraph (5) of section 72(e) of the Internal Revenue Code of 1986 (relating to retention of existing rules in certain cases) is amended by adding at the end thereof the following new subparagraph:

"(F) LOANS TREATED AS DISTRIBUTIONS; TREATMENT OF TRANSFERS.—

"(i) IN GENERAL.—Notwithstanding any other provision of this paragraph—

"(I) paragraph (4)(A) shall apply to any loan after October 7, 1987, under any contract to which this subparagraph applies, and

"(II) paragraph (4)(C) shall apply to any transfer after October 7, 1987, of a contract to which this subparagraph applies.

"(ii) CONTRACTS TO WHICH SUBPARAGRAPH APPLIES.—This subparagraph shall apply to any contract which is described in subparagraph (B) or (C) but which is not described in subparagraph (D).

"(iii) LOANS TO INCLUDE ASSIGNMENTS, ETC.—For purposes of this subparagraph, any assignment or pledge (or agreement to assign or pledge) any portion of the value of any contract shall be treated as a loan under such contract.

"(iv) RENEGOTIATIONS, ETC.—For purposes of this subparagraph, any loan made on or before October 7, 1987, and renegotiated, extended, renewed, or revised after such date, shall be treated as made on the date of such renegotiation, extension, renewal, or revision."

(b) LOAN AND TRANSFER RULES TO APPLY TO CORPORATE, ETC., HOLDERS.—Paragraph (4) of section 72(e) of such Code is amended—

(1) by striking out "an individual" in subparagraphs (A) and (C)(i) and inserting in lieu thereof "any person",

(2) by striking out "such individual" in subparagraph (C)(i) and inserting in lieu thereof "such person", and

(3) by striking out "an annuity contract" each place it appears in subparagraph (C) and inserting in lieu thereof "a contract to which this subsection applies."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to loans, assignments and pledges (and agreements to assign or pledge), and transfers, after October 7, 1987, without regard to when the contract was entered into. For purposes of the preceding sentence, any loan, assignment, pledge, or agreement made on or before October 7, 1987, and renegotiated, extended, renewed, or revised after such date shall be treated as made on the date of such renegotiation, extension, renewal, or revision.

SEC. 2. REVERSAL OF ORDERING RULES FOR DISTRIBUTIONS UNDER LIFE INSURANCE CONTRACTS.

(a) REVERSAL OF ORDERING RULES.—Subparagraph (C) of section 72(e)(5) of the Internal Revenue Code of 1986 (relating to retention of existing rules for certain life insurance and endowment contracts) is amended to read as follows:

"(C) CERTAIN LIFE INSURANCE AND ENDOWMENT CONTRACTS ENTERED INTO ON OR BEFORE OCTOBER 7, 1987.—Except to the extent prescribed by the Secretary by regulations, this paragraph shall apply to any amount not received as an annuity which is received under a life insurance or endowment contract entered into on or before October 7, 1987, but only to the extent the amount so received does not exceed—

"(i) the aggregate amount of premiums or other consideration paid for the contract on or before October 7, 1987, minus

"(ii) the aggregate amount previously received under the contract to the extent such amount was excludable from gross income under this subtitle or prior income tax laws."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts received after October 7, 1987, in taxable years ending after such date.

SEC. 3. ADDITIONAL TAX ON AMOUNTS RECEIVED UNDER LIFE INSURANCE CONTRACTS.

(a) GENERAL RULE.—Section 72 of the Internal Revenue Code of 1986 (relating to annuities; certain proceeds of endowment and life insurance contracts) is amended by redesignating subsection (v) as subsection (w) and by inserting after subsection (u) the following new subsection:

"(v) 10 PERCENT PENALTY FOR TAXABLE DISTRIBUTIONS FROM LIFE INSURANCE OR ENDOWMENT CONTRACTS.—

"(1) IMPOSITION OF PENALTY.—If any amount received under a life insurance or endowment contract is includable in gross income under section 72(e), the taxpayer's tax under this chapter for the taxable year for which such amount is so includable shall be increased by an amount equal to 10 percent of the amount so includable.

"(2) SUBSECTION NOT TO APPLY TO CERTAIN DISTRIBUTIONS.—Paragraph (1) shall not apply to any distribution—

"(A) made on or after the date on which the taxpayer attains age 59½,

"(B) which is attributable to the taxpayer's becoming disabled (within the meaning of subsection (m)(7)),

"(C) which is part of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the taxpayer or the joint lives (or joint life expectancies) of such taxpayer and his beneficiary, or

"(D) which is allocable to investment in the contract on or before October 7, 1987.

"(3) TREATMENT OF CERTAIN EXCHANGES.—If any life insurance contract or endowment contract is exchanged for an annuity contract in an exchange to which section 1035 applies, this subsection (and not subsection (q)) shall apply to any amount received under such annuity contract which is includable in gross income."

(b) TECHNICAL AMENDMENT.—Subparagraph (C) of section 26(b)(2) of such Code is amended by striking out "or (q)" and inserting in lieu thereof "(q), or (v)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after October 7, 1987, in taxable years ending after such date.

ARMS CONTROL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. FRANK] is recognized for 60 minutes.

Mr. FRANK. Mr. Speaker, I want to address today for some time the question of arms reduction and how we can best achieve it, and in the course of it I would also want to pay some attention to the degree to which the Reagan administration foreign policy is coming under increasing attack today. We just heard an example of it. The gentleman from Illinois, a good Republican who preceded me to the microphone, talked with some vigor about the shortcomings of the Reagan State Department. We know there are other Members of the House on the Republican side who are very critical of the arms control treaty the President is about to sign. While I do not always agree with the President, it does seem to me that Ronald Reagan's foreign policy is entitled from time to time to some defense against the Republican attacks that are made on it. I will do some of that later.

Mr. Speaker, at this time I yield to one of my colleagues who has been a

leader in this House for a rational defense policy that preserves the peace and defends our security and saves the taxpayer's dollar.

Mr. Speaker, I yield to the gentlewoman form California [Mrs. BOXER].

Mrs. BOXER. Mr. Speaker, I thank the gentleman from Massachusetts. I deeply thank him for his leadership on this issue of farms control. He has been certainly in the leadership of this House on that very important issue.

You know, when we really come down to it, that is the issue that has to prevail in our minds and in our hearts, because we can work hard for housing, we can work hard to educate our kids and we can work hard for economic justice and a clean environment, we can work for all these things, but if we are to lose it all in a nuclear war, it really puts everything into perspective.

I am very encouraged by the prospect of a possible agreement between the Soviet Union and the United States to remove intermediate range nuclear missiles from Europe. While I understand the concerns expressed by some of our NATO allies and by the chairmen of the Armed Services Committees of Congress, I believe it is important to embrace the INF discussions as a first step on the road to achieving reductions in strategic and in conventional weapons.

For those of us who have been so frustrated and angered by the administration's blank record on arms control, it would be hypocritical not to applaud this breakthrough. However, I want to go on record to give credit where credit is due, and credit is due to those in this Congress who have worked, day after day, month after month, and year after year, to fill the vacuum, to impose sanity and restraint on an arms race that is out of control. And our message has reached the people of America and the President has felt the strength and determination of the people. He knows this Congress will not be fooled again into giving away our arms control provisions as we did last year on the eve of the Iceland summit. This year he knows he will have to confront tough House and Senate passed arms control measures—a nuclear test ban, a ban on Asat tests, compliance with the SALT II Treaty limits, and adherence to the traditional or strict interpretation of the ABM Treaty.

This administration simply doesn't understand the reality: Nuclear overkill does not bring us national security. It does break the bank. After 6 years, we have seen a 100-percent increase in military dollars, while domestic programs for our people—education, housing, health care, and the environment—have all suffered.

I would like to bring to your attention a compelling new study by three scientists at the Massachusetts Institute of Technology, a study which points out the utter nonsense of nuclear overkill. It is called, Nuclear Crash: The U.S. Economy After Small Nuclear Attacks. The study, which was based on Government data, concludes that a nuclear attack consisting of only 1 to 2 percent of the Soviet nuclear arsenal could cause a complete and long-lasting economic crash in the United States. It predicts that most of the population would starve to death, with the survivors reduced to near medieval levels of existence for decades.

This small attack, and I emphasize small, would still be enough to devastate 481 cities, towns, and suburbs in our country.

The scientists also concluded that the Soviet Union would be just as vulnerable to attack by a small fraction of our nuclear arsenal.

The implications of this important study are twofold:

First, it quantifies the extent to which we are indulging in nuclear overkill. It says that the arsenals of both the United States and Soviet Union could be reduced to 10 percent of what they are today, and there would still be enough weapons left, strategically targeted, to maintain an effective deterrent.

Second, it also makes clear that anything less than a leakproof star wars shield makes no sense. And no one says the shield will be 100 percent effective. The best estimates are 90 percent and it's not worth it. We are throwing billions away on a system that will not enhance deterrence or our security, but undermine it.

In summary, this study provides a rational, scientific basis for deep reductions in our strategic arsenals while still maintaining deterrence. It also points out the administration's folly in refusing to negotiate with the Soviets on star wars.

I believe the President has opened the door to the possibility of real achievements in the arms control arena. The announcement of a possible INF Treaty is welcome news, but there is much work to be done. And that work cannot proceed until the administration sees itself in partnership with Congress. Any other course is doomed to fail for we will not, cannot relinquish our rights and responsibilities to affect the course of human survival.

Recently, the President said of the doomed Bork nomination that Bork would fail over his dead body. This kind of angry rhetoric doesn't lead anywhere except toward a deeply divided Government.

On the issue of arms control, we cannot afford to be divided, for the future of the whole world is at stake. So let us support the President as he negotiates the INF agreement and let him support us on the very important arms control measures in this year's defense bill.

□ 1545

The result has been for 2 years in a row, perhaps 3, the adoption by the House during the arms authorization bill of a package of arms control and arms reduction measures.

By this year those were really not greatly in doubt. There was a package of five, of a nuclear test ban, which would be verifiable and neutral, abiding by SALT II, abiding by ABM, putting restrictions on antisatellite testing in space. These were adopted by the House.

We were told by our Republican colleagues that we were making a grave error by adopting them, even if they were OK on the merits, because we were told were the House and the Senate to adopt these it would prevent the President from reaching agreement. We get a whole series of very anatomical metaphors from our colleagues, we are tying the President's hands, we are cutting off the President's legs, we are shutting the President's eyes. By the time they are through with their speeches, the poor man has got very little left that is in functioning order. And the argument has been that by putting these things forward we are somehow undercutting his ability to reach an agreement.

We now have an absolute, incontrovertible refutation of that, because the fact is undeniable progress has come in arms reduction in this administration only after first the House and later the Senate adopted arms reduction measures.

I am not arguing at this point that the adoption here caused those agreements. I think we had some positive influence, but I want to deal with the argument which we got from Members in this body, from former Assistant Secretary Perle of the Defense Department, who seemed to me was somewhat hypocritical when he argued that we prevented the President from reaching an agreement since he did not want any of those agreements. But the argument had been from the rightwing and some other Republicans that if the Congress takes pro arms reduction stances it will destroy the negotiation process.

That is wrong. It is demonstrably wrong. Ronald Reagan is on the verge of a very important agreement on intermediate nuclear forces. They have a statement to begin discussing nuclear testing. More progress has been made in the arms reduction area after we began enacting these than before.

I think a lot of change has to do with the ascension of Mikhail Gorbachev and the fact that he may be the first rational Soviet leader in a long time, and one who can understand the true interests of his own society. No

one ought to suggest that he is about to become eligible for membership in the American Civil Liberties Union or that any of us would want to live under his society, but he perceives his own interests in the arms reduction. But the argument we were preventing the President from reaching an agreement by adopting an arms control package is wrong.

What is particularly ironic is that we have people in this House who a year ago were saying to us if you succeed in saying by law that we are going to stick with ABM and stick with SALT II and not have nuclear tests, shame on you because you will be preventing the President from reaching an agreement.

But what happened? We did what they told us would prevent the President from reaching an agreement. Despite the fact we did it, the President reached an agreement. And then what happened? Many of the people who accused us of preventing the President from reaching an agreement are now criticizing the President for reaching that agreement. It turns out maybe they were more afraid that we would reach an agreement, and not because we now have criticism of what seems to me, and the President appears to me to believe, is one of the most important foreign policy goals he will have achieved, one of the most important national security goals he will have achieved, which is the Intermediate Nuclear Force Treaty, and what does he find? Opposition within his own party.

Some of us are going to start feeling like Lyndon Johnson and Sam Rayburn defending Dwight Eisenhower against the right wing of his own party, because we have now presidential candidates on the Republican side attacking the President. But we ought to understand the irony.

We have very conservative Members of the House telling us that if we push for arms reduction measures in the Congress we would prevent the President from being able to reach an agreement. We pushed for them. We achieved success legislatively. The President is able to get an agreement, and the very same people who made the argument that we were preventing agreement are now mad that we have an agreement.

Mrs. BOXER. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentlewoman from California.

Mrs. BOXER. There is a rumor around here that some people are afraid that peace may break out, whether it is here in the arms control arena or in Central America. And it is unbelievable to me that what we have worked for for so long in a bipartisan fashion would make people back away when we are at these very historic times, both in the Central America arena and in the nuclear arms arena.

Mr. FRANK. I agree with the gentlewoman. I think one of the most fascinating foreign policy debates now going on in America is the debate of Ronald Reagan against Ronald Reagan on the Arias plan, because Ronald Reagan said he was for the Arias plan, and Ronald Reagan was very critical of the Arias plan, but then Ronald Reagan came back and thought it was not so bad after all, and we all await the outcome of the Ronald Reagan versus Ronald Reagan debate as to where he stands on the Arias plan.

I think Speaker WRIGHT deserves credit here for consistent leadership. So there are some areas where we do not agree with him, but I think this is a good example, by the way, of where congressional leadership in this body and not the other body—and I make no criticism of them, but I simply at this point note the presence of the leadership element here with the Speaker—it is the Speaker who took the leadership that has produced some very positive results with the Arias plan and its support while the President, as I said, vigorously debates himself.

But in the arms control area we have had people on the Republican side telling us for a long time that it was a mistake for us to push for arms control. In fact, many of them said, Mr. Perle being one, and impugning other people's commitment to national security came easy to him, he said that we had no right as Members of the Congress to express our views that the President was pushing insufficiently for arms control. We were told that it was wrong for Congress to interfere, and there have been a lot of arguments that Congress is again tying the President's hands, cutting off his legs, stopping up his ears, unbuttoning his shirt, loosening his belt, doing all of these rude things so the poor man cannot get an agreement.

And what happens? He gets an agreement, and guess who now is beating up on the President? All these people who told us that Congress should not interfere in foreign policy are upset because the President achieved an agreement. And many of the people who told us we should not try to involve ourselves in Central America, they are the critics of the Arias plan.

I agree, when you criticize the Arias plan you are only being anti-Reagan on Monday, Wednesday, and Friday. You are being pro-Reagan on Tuesday, Thursday, and Saturday because the President is somewhat divided on the Arias plan.

On arms reduction, however, it ought to be noted that many of those, and I invite people to go back through the record of these proceedings in previous times, look at the number of conservative Republicans who said stop interfering in the arms control process, stop undercutting the President, they are the very ones who are today criticizing the President of their own party because he got an agreement. And the argument that by congressional action in favor of arms control we make arms reduction impossible has simply been proven wrong in a way that things are rarely so conclusively demonstrated around here, because Ronald Reagan has been able to get these agreements after the House and the Senate moved and progress in the Intermediate Nuclear Force talks of a very conclusive sort was announced simultaneously with the other body voting for arms reduction agreements, voting to bind the President. The notion that by our arguing for more arms control than the President is willing to get we somehow prevent him from getting agreement, which was very seriously made, it was the major argument made on the floor of this House, ironically again the louder people told us that we were preventing the President from reaching an arms control agreement, the likelier they were to be people who did not want an arms control agreement. But they used the argument and the argument was wrong, because we have under Ronald Reagan today the first genuine progress in 7 years almost of his Presidency on arms reduction, and we have gotten it after the House acted.

I said earlier I would not argue for causality at this point. I want to make clear my central argument is the refutation that has come of the conservative argument that somehow when we engage in pushing for arms control we make arms control impossible. That has been proven flat out wrong.

Beyond that, I believe the fact that we were pushing so hard is one of the things that gave the President the incentive to reach some agreement. That is, the President clearly presides over a divided administration.

Caspar Weinberger's admiration for arms control agreements is only slightly greater than the Ayatollah Khomeini's admiration for the chief rabbi of Jerusalem. Mr. Weinberger is not what you would call the greatest fan of arms control.

There are other people in the administration who are not for arms control. There are people in this Congress who do not support arms control, some of whom are major candidates for President in the President's own party.

Ronald Reagan had to decide, which is not always easy for him to do, to overrule Secretary Weinberger and others, and I believe the activity in this Congress, the fact that people in this Congress were pushing in an arms

control direction was one of the factors.

Another critical factor was the greater flexibility of the Russian leadership, but, of course, the most important question facing us internationally right now is to what extent the changes that Gorbachev is engaged in are legitimate. We cannot be sure they are. We have every incentive to hope they are, and clearly to work in a way that encourages them, not out of trust, not out of blind loyalty, but out of hope that there is on his part a genuine recognition of the mutual interest in reduction of arms both for economic and security reasons.

But where we are at this point ought to be very clear. We went through a period when there was in this administration no arms reduction. We began in the Congress, generated here in the House, a working group that pushed for arms control. We began to win some votes. We were on the verge of trying to get some of them voted into law when the President went to Iceland, and we got the great almost agreement, we are told, we got the blowup of any agreements, we got, as Donald Regan later said, comparing himself to the street sweeper who followed the circus elephants down the street, one of the less elegant analyses a chief assistant has ever applied to his President, that Reykjavik was not so bad after all, but it was a disaster from the standpoint of any accomplishment.

On the other hand, it was an indication the President was ready to move. The sequence is clear. Aggressive action by the House and later by the Senate in favor of more arms control than the President was willing to push for preceded any substantial arms control progress on the part of this administration.

The argument that by congressional involvement in arms reduction we retarded progress is demonstrably wrong.

In closing, I just want to say that it is not simply in arms control that we get this argument. The right wing argument has been a surprising change of history. Conservatives used to be somewhat distrustful of executive leadership. Now they are the greatest advocates. They have said that somehow Congress in general should not be involved in foreign policy, the President ought to be left untrammeled. That is a conservative argument in Congress, it is an argument that has a very well known judicial defender, Robert Bork, who in his jurisprudence time and time again has framed arguments that would allow the President to do whatever he wants in foreign policy. No lineman ever ran better interference for a ball carrier than Robert Bork's jurisprudence runs for a President bent on unilateral engagement of American forces in some conflict.

The conservative argument, peculiarly I think in terms of the roots of conservatism, has been legislative participation in foreign policy will be counterproductive. That argument has time and again been proven wrong, and it has been proven wrong demonstrably in these past 2 months.

Speaker WRIGHT took the leadership that gave us progress in Central America, over the President's objections at some points. The performance the President has given with regard to Central America is not a very impressive performance. This administration is badly divided, but it was congressional leadership that was the catalyst that gave us the Arias plan, and I believe it will be congressional leadership that will help it to be carried to fruition.

Congressional leadership is less clearly responsible for arms control progress, but the argument that by Congress getting active we made progress impossible has been irrefutably dealt with. There is simply no validity to that argument, because Congress acted and we got arms control progress. I believe, in fact, that it was the likelihood of binding laws coming to the President to sign or not to sign, of restrictions being put into the appropriations or the continuing resolution by both Houses on ABM and SALT that helped break that deadlock within this administration between the people who wanted arms control and the people who did not.

So as we now look at the record in foreign policy we see a President very much inconsistent on the question of Central America, following the leadership of the Speaker of the House and others. We see an arms reduction, Congress giving a lead, the President going along with it, and now we see those of us in our party on the Democratic side defending the President here. And when it comes to ratification of the intermediate nuclear force, let me make a prediction. I do not think it violates the rules to make a prediction. But if you need two-thirds to ratify a treaty, if there were no Democrats voting in the Senate, they would not get a treaty ratified. The President will not get from his own party in the Senate I believe the two-thirds that he needs. He will get it, but he will get it because of Democrats.

The right wing element in the Republican Party, which increases as the primary season goes forward, is now beginning to turn, as we said, on Ronald Reagan. We heard a very eloquent denunciation of the State Department previously, just before I spoke, from the gentleman from Illinois, a Republican leader in this body. The State Department, least anybody be under any misapprehension, is not a free floating entity, it is not an appointee of the Governor of Illinois, it is run by Ronald Reagan's people. The Secretary of State and the Ambassadors all are Ronald Reagan appointees.

□ 1600

We are getting an increasing right-wing attack. If President Reagan resolves the debate with himself in favor of the Arias plan, he will be attacked by his own party in substantial numbers. He will find the intermediate nuclear force treaty substantially attacked. If he gets any further progress, he will be substantially attacked. So the notion that congressional participation in foreign policy hurts has been refuted. What they mean, of course, is that when Congress does not agree with them, they should be able to go off and do whatever they want. But the notion that congressional involvement somehow undercuts our ability to get to some kind of common objective is wrong, as the arms control matter shows. Congressional involvement has been very helpful in the matter of Central America. And we now have the phenomenon, as I said, of the right wing of this party turning more and more on the President. And to those who are critical of congressional involvement in foreign policy, I will just note it was not any Democrat who held up for a year the confirmation of the Ambassador to Mozambique because he did not like the President's policy in Africa. Ronald Reagan's foreign policy today is probably receiving more abuse and interference from members of his own party on his right than it is from many of us on our side because at this point there is some agreement on some of the major aspects.

People on the conservative side have a right to decide if Ronald Reagan has gone, in his old age, soft on communism, and to lament his ambivalence about the Arias plan and support of the intermediate nuclear force. But they ought do it with some consistency. And the central point, I think, has been made absolutely clear by the events of the past few months: The notion that congressional involvement in foreign policy is inevitably counterproductive is simply wrong and with specificity we have got for the first time in this administration progress in the arms reduction field. And that without room for doubt follows precisely the kind of congressional activity that we were told would doom such success.

Congressional activity on behalf of arms reduction clearly cannot be accused of in any way retarding our ability to get agreements.

I would yield to my good friend and chairman of my Housing Subcommittee, the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. I thank my esteemed colleague. I do not mean to intrude on his special order, except for the fact that I want to compliment him and thank him for discussing this issue and particularly this aspect of congressional role in foreign policy, because of the charges that have been leveled from time to time.

They are not new or novel, but they have been more consistently raised as a criticism of Congress meddling improperly in the affairs of the Presidential role in foreign affairs than previously. However, I will remind the gentleman that in the seventies, early seventies, the administration then, in the case of Cambodia and some aspects of the Southeast Asia policy, the Congress was blamed and attempted to be blamed for the reversals that our country suffered. Also, in retrospect, some of those that believed that the United States had it in its power to resolve through victory, meaning unilateral military victory, blamed Congress because of its divisions, it blamed the American public that was so divided and it was clearly a demonstration of the tendency in human beings to blame somebody else for things going wrong.

In this case, though, I think that the gentleman ought to be thanked because more and more of the Congress has been abused as a collective body, as an intruder and an obstacle to the successful carrying out of some activity on the part of the President. The fact is that I do want to point out to the gentleman as I listened to him that I cannot attribute to the President or his administration the dignity of saying that they have evolved a policy, where there has been no policy. There has been evolvement of policy, short-range, long-range or anything, other than the reactive ad hoc situations in which the administration and the President are reacting.

Therefore, a vacuum has been created. We should not be surprised if—what I would not call a conservative, I would not label these voices conservative. I have far more respect for that word, I have a true respect for what I would define as a conservative, as I do for what is defined as a liberal.

I would consider them what Franklin Roosevelt called reactionaries. He called the reactionaries of that day sleepwalkers, walking backwards in their sleep. And that is what he labeled the same kind of voice, vociferous and rather obstreperous objection to some of his actions. And that is what I would do today.

I would think that the people that seemingly have turned on the President actually are those individuals that are so ideologically bound by their blinders that the President, who also is an ideolog, has been caught in his own inconsistencies.

In the case of Central America, it is pathetic and I think that there I must point out to my distinguished colleague that I cannot boast too much of the congressional contribution there because even as of less than 2 weeks ago, the Congress was approving some funds labeled, or mislabeled, as humanitarian for the so-called Contras who, in effect, will prevent any kind of an implementation whether we adopt it or not, of the Arias plan, because we are being held hostage by some 20,000 that we have fed, we have armed, we have supported in Honduras that it would be hard to find out what to do with them.

Mr. FRANK. I thank the gentleman from Texas for the historical perspective that he brings to our discussion as well as the sense of commitment of value. It is very important.

I am in agreement with much of what he said. I regretted the fact that we voted the money for the Contras but I do believe that the leadership the Speaker has shown in submitting the Arias plan is going to prove successful. Of course, if you watch the President flounder around with regard to the Arias plan, the gentleman from Texas said there was a vacuum, it reminds me of the basic truth in politics that just because there is a vacuum does not mean that there is nobody in it. I think that is the situation of the President on Central America.

We have had, in conclusion, let me say demonstrable evidence of the effectiveness Congress can have when we do foreign policy right. In particular, we have had decisively repudiated the rightwing argument that somehow congressional pressure for foreign policy changes will always be counterproductive. We have had particularly refuted the notion that by acting for arms control we undercut the President. And we are in the ironic situation now that many of those who a year ago were impugning our commitment to national defense because we dared to criticize the President on arms control policy, are now beating the President over the head on arms control policy.

Apparently, the argument is that it is OK to object when the President tries to reach an agreement on the ground we should not have any treaties, but it is somehow not fully patriotic to insist that the President ought to be doing some more to reach agreement.

Congressional pressure toward arms reduction, maybe some people want to argue it was neutral, it is certainly not logically possible to argue that it has done any damage. I believe the evidence is that it has been helpful and congressional involvement in Central America, thanks to Speaker WRIGHT, has been particularly helpful.

We will be here for another couple of months and I think we will see increasingly the tendency of the rightwing of the Republican party to attack the President for trying to reach some agreement based on perceived neutral interests with oiur adversaries in various parts of the world and many of us will, when the President shows the kind of realism and leadership that he has shown in INF, we will be here to defend him against these rightwing attacks. And those who think that somehow congressional involvement in foreign policy is improper, maybe that will lead those on the right to stop criticizing the President. I doubt it, because consistency, as we know under the rules of the House, is not binding.

At least, we will be able to deal with these arguments on the merits.

Those of us who want more in the way of arms reduction will be free to make those arguments without the wholly unfounded suggestion, repudiated by the events of the past few months, that we are in any way hindering the President's ability to reach the right kind of agreement.

Mr. MAVROULES. Mr. Speaker, let me first extend my appreciation to Mr. FRANK and Mr. DOWNEY for reserving this block of time for a discussion about the pending INF agreement and its ramifications.

There can be no doubt that an INF agreement with the Soviet Union would be a positive step toward a safer world for our children and grandchildren. However, we must not forget that there are other, even more important areas that need to be addressed: strategic, conventional, and chemical weapons.

Let me focus a bit on the conventional imbalance. Quantitatively, the Soviets have a strong edge over our NATO forces, but it is my belief that qualitatively we can offset some of that edge. Nevertheless, we must face the fact that with an INF agreement NATO forces will need a conventional boost.

Many analysts contend that the Warsaw Pact has over a 2-to-1 advantage over NATO in terms of conventional forces. The removal of our strategic missiles in Western Europe leaves NATO without a proven deterrent.

It is time to shift our focus away from buying more and more nuclear missiles, and concentrate on rectifying the conventional imbalance with more planes, helicopters, tanks, and other often neglected systems. Our thinking on the subject of defending our NATO allies must shift. Hard questions must be asked, and hard decisions must be made. I hope that we will have the courage and foresight to confront this reality.

GENERAL LEAVE

Mr. FRANK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore (Mr. HUTTO). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FAMINE IN ETHIOPIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. ROTH] is recognized for 60 minutes.

Mr. ROTH. Mr. Speaker, the headlines from Ethiopia are in. It's happening again. The threat of famine is back.

It is estimated that over 5 million people could be in danger of starvation in the near future. The Mengistu regime of Ethiopia is asking the West for 950,000 metric tons of food. That's just about the same amount of food aid that was given by the West to Ethiopia just 2 years ago.

Ethiopia, this once-proud land, a land of gifted people, rich in heritage and culture, has come under this scourge again. Why? Why indeed. It is the purpose of this special order to look at why the people of Ethiopia continue to suffer so much.

When famine came to Ethiopia in 1984 and 1985, there were those in the West who knew that the current dictator—the cruelest in the world, Colonel Mengistu, was responsible for untold human misery and suffering. But among many, there was a conspiracy of silence. Some believed that to tell the truth about this dictator and his disregard for human life, might jeopardize the millions of dollars that was streaming into Ethiopia from the West.

Some of our colleagues in Congress, some in the press, some of our U.N. officials, some of our relief organizations, some of our own government officials looked the other way and were silent about the culpability of the Ethiopian Government. When one relief organization, Doctors Without Borders, had the courage to expose the blatant abuse of relief stations by the Ethiopian Government to round up dissidents and forcibly displacing hundreds of thousands of people, this brave group of doctors were thrown out of the country.

How many people rallied behind them to reinforce the truth that they were speaking? Sadly, not very many.

But there are also a lot of heroes. People who have had the courage to print the truth, to speak their conscience, and to work for justice in Ethiopia.

Two weeks ago, our former colleague, Ambassador Milicent Fenwick came to Capitol Hill to deliver a message. This is what she said:

> When we know of an injustice and we say nothing, it is as though we condoned it. When we contribute to a system of injustices, we become accomplices.

She came to Capitol Hill to speak out against the brutal atrocities of the Ethiopian Government. Some of you may have seen yesterday's Washington Times article which featured her testimony.

She came to speak out against Ethiopia's slavery, Ethiopia's forced displacement of people, the tragedy of the Jewish Falashas, and the exploitation of the charitable instincts of the Western world.

I wish all of you could have heard the stories she told us. Because for so many of us, it is hard to believe that a regime could be so brutal so insensitive to the needs of its own people.

She told us of what happened one day in the town of Makele. People were told that food and relief supplies could be found in Makele. So 1,100 of the strongest men were chosen to go into the town to get food and bring it back for the women, the children, the old, and the weak. They never returned. When they arrived in Makele, they were herded into a fenced school yard and ordered into the waiting trucks. When some refused to get into the trucks, they were shot dead.

They were crammed into the trucks and taken away. Four hundred managed to escape by jumping out of the trucks as it headed to Alamata, the staging point. There, at Alamata, they were held under appalling conditions, with no food, in tin-roofed sheds, until the Soviet planes could come and take them hundreds of miles away to camps they called "resettlement camps."

Once at these camps, people were not allowed to leave. They were guarded night and day. Those who were caught trying to escape had their legs broken.

There is an Aushwitz 1986. It's in Ethiopia.

There were over 600,000 people taken to these camps. Think of that number—600,000. Think of how many families torn apart. How many children were left behind to fend for themselves? How many children will never again see their fathers? How many sisters will never again see their brothers? And, how many wives will never see their husbands?

They are still there. There are still hundreds of thousands of people locked in these camps who may never again see their families and homes.

And that is only one aspect of the horrible nightmare that haunts the people of Ethiopia. The Economist World Human Rights Guide cites Ethiopia as the worst violator of human rights in the whole world.

This is what our Assistant Secretary of State for Human Rights, Richard Schifter, told us 2 weeks ago:

> The People's Democratic Republic of Ethiopia is among the most egregious human rights violators on the African continent * * *. Ethiopians have no civil or political freedoms and no institutions or laws to protect their human rights * * *. Ethiopia is an extraordinarily brutal and repressive police state. Political opponents of the regime have been executed without trial.
>
> Most civil liberties, as clearly spelled out in the Universal Declaration of Human Rights, do not exist in Ethiopia. There is no freedom of speech or press. Assembly of any sort is strictly forbidden. Travel within Ethiopia and abroad is closely controlled. Emigration is highly restricted. More than a million Ethiopians have fled the country by walking across the border into surrounding countries.

I will place both of these statements in the RECORD for the benefit of our readers.

Now some of you may still have doubts about what I have been saying for almost 3 years. But these are not just my words, or just the words of a former colleague who served as our Ambassador to the Food and Agriculture Organization, or just the words of our Assistant Secretary for Human Rights.

Let me quote to you the words of someone who was there. And it was someone very close to Mengistu, Ethiopia's Marxist dictator. His name is Dawit. He was the Deputy Foreign Minister. He was a member of the central committee of the party. And he was the man in charge of Ethiopia's famine relief. He has now come to freedom—as have so many others: Ambassadors; officials of all kinds. And this is what he told us 2 weeks ago before the National Press Club.

> The Ethiopian people continue to suffer under a brutal regime and a political system that has become an instrument to keep a tyrant in power. The entire country is in the grip of terror.
>
> Mengistu's loyal followers are his executioners. As in Hitler's Germany, Mengistu's words have the force of law. Nothing has to be in writing. Massacres and gross violations of fundamental human rights have often been committed on simple, oral instructions. We do not hear about them in Ethiopia. Even family members don't hear about them. They learn about them in an indirect manner. People are first detained, usually by just disappearing from their offices or homes. In some cases, family members are notified and allowed to bring them daily meals. When the guards tell them "No more meals," it means the people have been executed. I can count hundreds of people whom I personally know who have been executed in this manner. Just five weeks ago, five close friends of mine were executed.

Mr. Speaker, can you even imagine that? Can you imagine what it must be like? Can you imagine living in a hell where literally hundreds of your friends have been tortured and killed? Let me read on from Dawit's testimony:

> The secret police and death squads have created an atmosphere where murder and abduction are likely to occur at any moment. Of all the countries in the world, Ethiopia has the largest number of political prisoners, with close to 200,000 in 1985.

Mr. Speaker, a few weeks ago, the Human Rights Subcommittee held a hearing on Ethiopia at my request. One of those political prisoners, who had been arrested 13 years ago, came all the way from London at her own expense to testify. When she got there, she was told that private wit-

nesses had been postponed to another day.

She came to me after the hearing and asked why she had been treated this way in America. I ask the very same question.

But she gave me her written testimony, and I think my colleagues here on the House floor and the American people will be interested to know what she had to say. Her name is Rebecca. She was arrested in 1974, as a 21-year-old young lady, at the prime of her life and held in prison for almost 10 years. Her crime? She was a distant cousin of Emperor Haile Selassie. Two months after she was taken prisoner, her father was executed as were 60 other members of Haile Selassie's government. She was separated from her three brothers and didn't see them again for 8 years.

The prison where she was kept and where hundreds of other women are still held today is in Addis Ababa. It is directly opposite the huge headquarters of the OAU—the Organization of African Unity. There is running water only at nighttime. And a hole in the ground serves as a toilet. There are few beds, most are only given thin mattresses to use on the floor. And rats are everywhere. Authorities provided no food, no bedding, no clothing. You have to depend on friends to provide that.

Rebecca tells us about the awful sessions of torture, prolonged beatings on the soles of your feet while the victim is suspended from a rope, rape, and other gruesome methods.

Since we don't know whether she will be able to testify, I am submitting her testimony here for the RECORD.

Clearly, this is a regime which has little regard for its people. That was no more evident than in the way the Ethiopian Government dealt with the last famine just 2 years ago. The West responded generously to the sight of hungry people. We can be proud of that response and to the outpouring of charity which came from the American people.

But where were the priorities of the Ethiopian Government? How did the Ethiopian Government help in this famine? This is how they helped themselves:

First, they charged us $50 for every ton of American donated food and relief supplies that we sent.

Second, they told us Americans we would have to find and pay for the local transportation to get food off of the docks and out into the country. They had other uses for their own trucks, which I will get to in a moment.

Third, they told us that if we wanted to bring in trucks for transporting the food, they would have to be Mercedes trucks. And, we would have to agree to hand them over to the Government in 2 years time. And we would have to pay a tax of $50,000 for every truck.

This is the story the American people were not told.

These are the conditions that were laid down, and these are typical of the conditions which we, the Western donors, agreed to time and again. Some have estimated that the Ethiopian Government made $200 million through these various schemes and various rackets. I think Ambassador Milicent Fenwick put it very well when she called this scam the "golden flood of famine relief."

Now, why couldn't the Government of Ethiopia provide their own trucks to transport food? Because, they were too busy using them to haul people. It was duped "the resettlement campaign." They were rounding up 1,000 people every day, cramming them into trucks, and forcibly relocating in armed camps hundreds of miles away. In all, 600,000 people were rounded up and still, to this day, they remain in these camps, surrounded by dry moats and guarded day and night.

If this is difficult for you to believe—I'd like to again quote Dawit, the man who was responsible for this resettlement campaign at the time:

I headed the controversial resettlement program for some time. Even though I have nothing against resettlement in principle, the manner in which it was conducted and the priority given to it caused the death and suffering of millions. In my presence, on several occasions, Mengistu and his followers have ordered the forcible evacuation of people for villagization and resettlement programs. It was disorganized, but Mengistu wanted it done for political reasons. He found it more convenient to experiment with his policy of regimentation and control of society with poor and weak people who have no way to resist.

As a result, thousands died and thousands more were separated from their families. (It) contributed to the death of 1.2 million people between 1984 and 1985.

My friends, some people criticized Doctors Without Borders when they came out publicly and said that 100,000 were killed in the Resettlement Program. Some people thought that figure was exaggerated. But here we have the man who was there and operating the program saying publicly that Mengistu's policies contributed to the death of 1.2 million people.

Some of you may be asking, Why do the Ethiopians put up with this brutality? Why don't they change their Government? Why don't they vote this man, Mengistu, out of office?

There's a very simple answer to that, and I'll quote our State Department human rights report:

Ethiopian citizens have no legal right or peaceful means to change their government.

Let me give you some of Dawit's own words concerning life in Ethiopia. He says, and I quote:

There is no democratic participation at all in Ethiopia, and people live in terror. Even a semblance of democracy does not exist. I have been elected and participated in "elections" quote/unquote. People are told in a very subtle way who to vote for and given prepared statements to read in support of issues that are presented to the public.

In Ethiopia, there are no laws that protect individuals. There are no institutions which grant basic civil rights for its people. The people of Ethiopia are suffering at the hands of the cruelest dictator in the world and we continue to sit on the sidelines and do nothing.

This is Dawit's message:

The people of Ethiopia want an end to the misery of Mengistu's rule. International impotence shocks them.

Why is it that we have been so reluctant to speak out, and speak for the liberties and rights of 40 million people? Why are so many intimidated by this bully?

I think Dawit has some interesting insights here. He told us:

I have taken many prominent Westerners to see Mengistu in person, particularly Americans. They see themselves face-to-face with a warm, conciliatory, seemingly modest human being. They are confused. They come away with a desire for reconciliation. Even some who are the most virulently opposed to his ideology, they reduce their opposition and want to give him a chance. It is Western naivete. He is playing a game of deception, but it is primarily the visitors who deceive themselves into believing a change might occur. They say "perhaps he will reform. Perhaps his human rights record will change." But this has been the pattern for over a decade.

Dawit continues:

The U.S. Administration has sometimes been looking for overtures, signs that he might fall in with the West again. Often, they delude themselves into interpreting his statements as they would like to understand them. It's not that he has any special talent for deception; it is almost as if they are surprised to find a human being who has charm and eloquence. Every dictator has also been a human being. It is not the human side of him that is objectionable. It is his ideology, his callousness, and his policies as a national leader.

For those who oppose concrete measures against Ethiopia, and those who still believe Mengistu might change, I would like to ask them what the limit of their tolerance will be? How many more millions should leave the country? How many millions should die? How many more millions should be displaced? How many more thousands should be detained? Let them tell us, so we'll know when we should start talking to them.

Mr. Speaker, I think you will agree with me that Dawit's message strikes home. We must act and we must act now. The United States is the leader of the free.

Listen to the words of Randall Robinson. In Sunday's Washington Post, Mr. Robinson states:

Mengistu Haile Mariam's dictatorial regime in Ethiopia has killed, tortured and forcibly displaced thousands. Although our involvement there has been on a much smaller scale than in South Africa, we can have a real impact on the Addis Ababa gov-

ernment by banning the importation of coffee. * * * White liberals will be torn. Not wanting to break ranks with a black-led country, many blacks, I fear, will demur after making themselves believe that things aren't as bad as all that in Ethiopia

End quote. Maybe its time we listen to Randall Robinson.

Mr. Speaker, the time has come to take punitive actions against the brutal Ethiopian regime. Sixty of my colleagues have already joined me and Congressman BILL GRAY in cosponsoring a targeted sanctions bill aimed at stopping these atrocities.

What needs to be done? These five steps are essential:

First, we must get the truth, the true story of Ethiopia to the American public. Americans have a right to expect that Congress—especially the Human Rights Subcommittee—will take the lead and report truthfully on the present status of human rights in Ethiopia.

Second, Congress has a responsibility to look into the exploitation of charity by the Ethiopian Government.

What happened to the money raised by Live Aid?

Let's have a detailed accounting of the conditions laid down by the Ethiopian Government on Western donors.

How much money did we have to cough up, in order to have the privilege of giving food to hungry people?

Third, the Subcommittee on Africa has shunned its responsibility in this area and has been totally derelict. It is the chairman of the Africa Subcommittee, Mr. WOLPE, who should be calling for hearings, pushing legislation through Congress, conducting special orders, organizing press conferences. In short help pass H.R. 588. Where is the leadership on Ethiopia, I ask?

Fourth, we cannot just consider Ethiopia on a crisis basis. Where is your concern for democracy in the Horn in Africa? There are 40 million people in Ethiopia. Don't they deserve some of your passion for freedom and democratic institutions?

Fifth, this Congress should immediately pass H.R. 588, the bill introduced by Congressman BILL GRAY and myself, to show our abhorence of this evil regime. We must send a strong signal now to the Ethiopian people, that we are on their side, on the side of freedom, and on the side of human rights.

The United States supplied over one-third of the emergency humanitarian relief to Ethiopia and we are likely to do so again. We have a responsibility to take a leadership role with our other Western donors, so that we all maximize our leverage with the Ethiopian Government.

My colleagues, history is repeating itself in Ethiopia. We must take note. We must speak out. And we must act now.

Mr. Speaker, I would like to submit for the RECORD two statements, one from the Honorable Millicent Fenwick and the other from Rebecca Asrate Kassa:

TESTIMONY OF HON. MILLICENT FENWICK, FORMER U.S. AMBASSADOR TO THE U.N. AGENCIES FOR FOOD AND POPULATION

First, I would like to thank the distinguished chairmen and ranking members of these two subcommittees for giving me the opportunity to speak today about an important subject: the sufferings of other human beings.

The only aspects of H.R. 588 about which I feel I can usefully testify are the first three sections dealing with human rights. The record in Ethiopia is a sad one, tragic in many ways. Ethiopia offers some truly shocking examples of the cruelty which a government can exert against its own people.

There are four examples which I would like to bring to your attention: The issue of forced labor, which is in truth a new form of slavery: The government policy of forced resettlement and villagization; the tragedy of the Falashas; and, finally, the exploitation of the charitable instincts of the world in general and the United States in particular.

FORCED LABOR AND SLAVERY

A specific example of the existence of forced labor in Ethiopia concerns a project conducted by a United Nations' agency to which we contribute both food and money. It was authorized in 1979 and first implemented in 1980. The program calls for roadbuilding and reforestation, and was extended last year to a total of $181 million. (Note that this sizeable sum is quite separate from emergency assistance, which will be discussed in the last section of this testimony.)

Workers for this project are recruited in ways that have been questioned even by the University of Addis Abba. Workers are supposed to get wages, half in cash, half in food. But here are the facts: Workers on this project have never received any cash, and they have not received the food they were promised. The project paper, urging further funding, admitted that the workers would have to be persuaded that—and I quote—"the arrears in food would be made up."

Workers on state projects were supposed to be protected from this form of slavery by convention 95, a measure proposed by the International Labor Organization, passed by the U.N. General Assembly, and binding on all its agencies. Work on state property was to have been paid in cash, but the Samson report, received by the International Labor Organization Conference in May 1975, amended this to allow for 50% of the wages to be paid in cash, 50% in food.

The fact is that, in law and in practice, all land in Ethiopia belongs to the state—so there is no use pretending, as some apologists have, that these projects have provided direct, personal benefits to the workers involved by improving the land.

Nor can apologists justify this slavery by pointing to the benefits the country will eventually enjoy, with future generations protected from eroded hillsides. Even here—in the purely practical sense—the project is flawed: Lester Brown reported in World Watch a 15 percent survival rate for the 500 million saplings which had been planted.

Many projects fail, however, including some of our own. The point is that we cannot continue to see human beings so cruelly abused. We must insist on enforcement of convention 95. The existing situation is in many ways more vicious than traditional slavery. There is no incentive for anyone in power to consider the well-being of workers. They are helpless, with no defenders. The world has heard of their suffering, but no one seems to care. There has been no strong, concerted outcry of indignation which might compel a change. The only support received for the position of the United States, when I protested about this at the AID conference last fall, came from the United Kingdom, Canada, the Federal Republic of Germany (for the first time), and Australia—whose representative, Dr. Manning, commented, "We would be morally deficient not to support the United States' stand."

FORCED RESETTLEMENT AND VILLAGIZATION

Under the policy of villagization, people are forced to destroy their homes, and move to another place where they build new huts. There are no services or amenities there, and the farmers face a totally unfamiliar agricultural situation. The purpose is generally admitted to be political; to congregate people so that they can be more easily controlled.

Re-settlement is an older state program. In the famine year of 1985, people were lured with the promise of available food to come to a central town from the outlying fields. Here is a specific example reported by objective, non-governmental foreign observors. Food was made available in the town of Makele and the news went out from there. In a neighboring area, 1100 of the strongest men were chosen to go and bring food back.

When they arrived in Makele, they were herded into a fenced school yard, and ordered into the waiting trucks. When some refused, four were shot dead in front of the shocked foreign observers. Four hundred more were said to have escaped by jumping out of the trucks on the way down to Alamata, the staging point. At Alamata, they were held, in appalling conditions, in tin-roofed sheds, until the Soviet planes could come and take them away to the camp.

Once committed to the camp, people were not allowed to leave. Some who managed to escape reported harsh beatings for those who were caught: In some cases, legs broken by a mallet, or even death by shooting.

Our own Government's policy in the case of these camps has been a very sound one, in my opinion. It is one of which we can be proud. We in the United States know that there has been hunger in the camps and, like any decent society which has the resources, our policy is to send food, with only one condition: That people are free to come and go as they please. It was a great satisfaction to hear last fall, at the conference of the biggest United Nations food agency, that this will be the policy of that agency as well—the first time such an official policy has been announced.

So now we are not alone in finding the forced confinement of innocent people an outrage against human rights. And we are not unique in finding the Government of Ethiopia an offender in this regard. The respected British weekly magazine, the Economist has ranked that government as the worst violator its "World Human Rights Guide."

THE TRAGEDY OF THE FALASHAS

The Falashas were a small peasant group of Ethiopian Jews, perhaps 30,000 in all—long resident in Gondar, not far from the

Sudanese border. In 1975, Israel recognized them and extended to them the "law of return", guaranteeing their right to Israeli citizenship. They started to emigrate, crossing the border on foot in small groups. Emigration from Ethiopia had been declared illegal, but by 1984 what had begun as a small trickle of emigres had turned into a flood. Thousands left. Whole villages were emptied. By this time, violation of the laws against emigration had been declared a capital offense. Some Falashas were caught, and there were reports of torture, beatings, and imprisonment, but the capital penalty was not always applied. Since 1985, little has been heard of them.

THE EXPLOITATION OF CHARITY

We come now to the last point I would like to raise—the exploitation of charity by the deliberate policies of the Ethiopian Government. It has always been a mystery to me why this has not been reported more fully.

It came to my attention through a letter from an American seaman, published in the International Herald Tribune. (I think this was in late 1984 or early 1985.) He reported the arrival of his ship, the *Delta Rose* at the Port of Assab with a cargo of gift food for the starving. He was shocked to discover that they had to pay $500,000 to the Government for port charges in order to get the food off the ship. The fees, apparently calmy accepted by everyone except for the seaman, amounted to $50.50 per ton for all givers except for the United Nations' agency, which was excused the final $1.50 "coordination fee", and therefore paid a total of $49.00 per ton. I protested strongly about this policy, and last time I checked the fees were about $20.00 per ton.

It is important to consider the volume of aid coming into Ethiopia which would be subject to such policies. According to Kurt Jansson, the fine Assistant Secretary General of the United Nations assigned to Ethiopia to coordinate the aid programs, in 1985 the world contributed, in emergency assistance only $998 million—of which the United States gave $279 million. And remember, this is emergency aid only—food and non-food—and does not consider other projects, such as those described in the first section of my statement.

Unfortunately the "port charges" leveled by the Ethiopian Government are not the only example of these kinds of policies. Another example involved a component of non-food aid, the provision of trucks. Band-Aid planned to send 100 trucks to be augmented by 150 from the United States. Warned by the charges on food, an agreement was drawn up by the United Nations agency and the Government to exclude "charges and fees." But when the trucks arrived, the Government proposed a tax on each truck—a tax so exorbitant ($50,000 was mentioned) that an outcry followed. The matter was resolved, but the trucks were still destined to become the property of the Ethiopian Government, This was similar to an earlier truck problem, when the Government insisted on Mercedes trucks to be given for food delivery and to become Government property in two years.

The examples of abuse, cruelty, and injustice bring us to the question of what the position of the Government of the United States should be with respect to aid to Ethiopia. We know that brutal methods are used to force people into camps, but as soon as they are free to leave, as long as they are starving, like every decent society, we should send food. But as for the rest, we must be able to assure our taxpayers, and the many thousand American citizens who contribute so generously to the private agencies, that the food is indeed going to the hungry—and not to the bureaucracy or to an army that consumes 42 percent of the state budget.

It has been well said that when we know of an injustice and we say nothing, it is as though we condoned it. When we contribute to a system of injustices, we become accomplices.

Thank you very much.

REMARKS OF REBECCA ASRATE KASSA

INTRODUCTION

My is name Rebecca Asrate Kassa, daughter of Ras Asrate Kassa who was a distant cousin of Emperor Haile Selasie, and who was Governor of Eritrea from 1963-1970 and later President of the Crown Council. My mother, (who at the time of writing this report is still in prison where she has been since September 1974), is the grand-daughter of the late Empress Menen, Emperor Haile Selassie's wife.

On 12 September 1974 I was arrested together with my mother (then aged 45), my younger sister (than aged 15) and my three brothers (then aged 14, 17 and 23) and taken to the Duke of Harrar's villa in Addis Abeba, next door to the American Embassy. There we joined members of Emperor Haile Selassie's family: his first cousin Princess Yeshasheworq Yilma (than aged 75), his daughter Princess Tenagne (then aged 63) and her four daughters Princess Aida (then 48), Princess Ruth (then 47), Princess Sybil (then 46) and Princess Sophie (then 45). Also detained were Princess Sara (then aged 46) the wife of the Duke of Harrar Prince Mekonnen Haile Selassie (the son of Emperor Haile Selassie who died in 1957) and here three sons Prince Wossen Seged Mekonnen (then 25), Prince Michael Mekonnen (then 24) and Prince Bede Mariam Mekonnen (then 16). In March 1975 the Crown Prince's daughter Princess Igigayehu Asfawoseen (then aged 43) was detained. Crown Prince Asfawossen Haile Selassie with his wife, three daughters and son was in Europe at the start of the revolution. Tragically Princess Igigayehu dies two years later while still in custody in Alem Bekagn prison. Other distant members of the Emperor's family were also arrested but released soon after.

In the beginning there were twenty-two of us—fifteen women and girls and six young men and boys. At first both the male and the female members of the Emperor's family were detained in the Duke of Harrar's villa. We lacked for nothing in the way of comfort. The house was large and very comfortable and we were never cramped for space. The soldiers guarding us were from the 23rd Brigade of the Imperial Body Guards and they treated us if not always kindly at least correctly. We were allowed to see relatives and friends from 11 am to 1 pm every day, although a guard had to stand in between us to listen to our conversation which had to be conducted in Amharic. Food and change of clothing was brought in every day by families and friends. We were allowed books (only Amharic ones) and radios.

On 23 November 1974, sixty members of Haile Selassie's government were executed by the dergue, including my father Ras Asrate Kassa, Commodore Iskinder Desta commander of the Ethiopian Navy and Princess Tenagne's son and General Abeye Abebe who was married to one of the Emperor's daughters, Princess Tsehai (who died in the 1940's) and who was Minister of Defence at the time of the revolution. Three days after the execution and while still in deep shock the women and girls were transferred to the Mechanical Division compound of the Imperial Body Guards, while the young men and boys remained at the villa. In April 1975 we were moved back to the Duke of Harrar's compound—this time to a smaller house—while the young men and boys remained in the bigger villa. We could see them from afar but were not allowed to meet them closely. We remained there until early September 1975 when we were transferred to Alem Bekagne Prison. The boys were then taken to the Grand Palace to join the other political prisoners (mostly government officials). This was the last time I saw my brothers until my release in 1983.

BACKGROUND TO THE DETENTION OF THE WOMEN POLITICAL PRISONERS

I have divided the women political prisoners in detention with me in Alem Bekagn (the central prison in Addis Abeba) into six groups, in order to explain why and when they were arrested:

(a) The first group of women to be arrested in Ethiopia were all members of the Royal Family (see Page 1). No formal charge was ever brought against us. In fact the official line of reasoning was (and thirteen years later still is) that we were being held "for our own protection" on account of our relationship to Emperor Haile Selassie. In August 1981, Princess Yeshashworq Yilma (by this time aged 82) was released. A year later she died. In September 1983 I (aged 30) was released together with my younger sister Mimi (now a young woman of 24) and my three brothers Mulugeta, Kassa and Wendwossen (aged 33, 26 and 23 respectively). On our official release paper the reason given for our nine years imprisonment was "suspected of being anti-revolutionary" (copy of release paper attached). Ten members of the Royal Family are still in prison—seven women and three young men. All of the women are now over fifty-five years old (Princess Tenagne is now 76) and all of them are in poor health after thirteen years in prison. The young men have been imprisoned for the best part of their youth for no other reason than they were the grandsons of the late Emperor.

(b) The next group to be arrested were the wives and children of former government officials. These numbered about seventy. Once again none of these women have ever been formally charged or tried. They were detained on account of their relationship to former government officials, many of whom were executed on 23 November 1974. All have now been released.

(c) The third group to arrive at Alem Bekagn were girls and young women who were suspected of being members of, or having links with, the outlawed Ethiopian People's Revolutionary Party (EPRP). This was at the height of the government's "Red Terror" campaign in 1976-1978. Many of these young women and girls were taken from their homes or off the streets and tortured until they confessed to being EPRP members. Not one of them was ever brought to trial and yet many of them were secretly sentenced to terms of imprisonment ranging from five to fifteen years. Some have been released over the years in the annual general amnesty, but others still remain in prison without having been charged, tried or sentenced.

(d) During 1977-1978 a group of young women who were members of the formerly pro-government All-Ethiopia Socialist Movement or "Meisone" were arrested. These young women were never charged or tried, but two of them, Dr. Nigist Adane and Miss Kongit Kebede were taken from detention in 1979 and their whereabouts is still unknown. It is generally believed that they have been subjected to summary execution. The others were all released in a general amnesty in September 1982.

(e) During 1979-1980 a number of women suspected of being members of, or having links with, one of the groups currently engaged in armed opposition to the government were arrested. These opposition groups include: the Eritrean People's Liberation Front (EPLF), the Eritrean Liberation Front (ELF), the Tigray People's Liberation Front (TPLF) and the Oromo Liberation Front (OLF). Many were civilians detained because their sons or husbands had joined one of the Liberation fronts, so the wives and mothers have had to pay for the "sins" of their husbands and sons. Included in this group are Eritrean prisoners who were captured in the battle fields. All of these "prisoners of war" have been tried in a military court in Asmara, the capital of the province of Eritrea, and sentenced to terms ranging from five years to life imprisonement. The civilian women have never been charged, tried or sentenced although many of them had been tortured. Some of the civilians have been released but a substantial number still remain in prison.

(f) The last group of prisoners, mostly girls and young women, are apparently detained because of their religious beliefs and their membership of Protestant churches (the government has accused these of being opposed to the revolution). These include members of the Ethiopian Evangelical Mekane Yesus Church, the Jehovah Witnesses and the Meseret Chiristos Church (Mennonites). Again these young women were never formally charged, tried or sentenced but all of them have been released.

Other women prisoners that have not been included above are a number of women who, over the years, were captured while attempting to leave the country illegally for political reasons. In most cases these women were convicted and sentenced by a civilian court. There was also one case of an airline hostess who wrote to her brother in Europe to tell him not to return to Ethiopia after he finished his studies. Unfortunately her brother had changed his address and her letter was returned and opened by the authorities. She was never tried but nonetheless was sentenced to five years imprisonment.

TREATMENT OF POLITICAL PRISONERS

Women political prisoners are generally either detained in civil prisons under the jurisdiction of the Ethiopian Prisons Administration, or in the Central Investigation Centre (Me'akelawi Mermera), which is under the control of the Central Investigation Organ of the Ministry of Public and State Security.

The main official prison in Addis Abeba is the central prison known as "Alem Kekagn" or "Kerchele", which is situated opposite the headquarters of the Organisation of African Unity (OAU) in the southern part of the city. The majority of women political prisoners were detained in Alem Bekagn, although many were previously held for investigation and interrogation in the Central Investigation Centre (Me'akelawi), which adjoins the 3rd Police Station situated in the northern part of the city.

The women's quarters in Alem Bekagn is situated in the centre of the prison and separated from the men's by a wall of corrugated irons. Conditions in Alem Bekagn were harsh, and overcrowding was a major problem. Originally there was only one long building, which was divided into two. The larger of the two (approx 30 ft long by 12 ft wide) housed the main body of prisoners, while the smaller one (approx. 15 ft long by 12 ft wide) used to serve as a clinic.

We (i.e. members of the Emperor's family) were held in the smaller room (i.e. the clinic) and were kept apart from the rest of the prisoners. Adjoining our room there was a smaller room with a hole in the ground which served as our toilet. In the beginning we had running water only at night time, so we had to fill containers with enough water for drinking, washing and the toilet since there was no flush. We were not allowed to have any beds and we had to sleep on mattresses on the floor. This did not matter too much for the younger members but for the older ones, who suffered from arthritis, it was a form of torture since the flooring was made of cement which was cold and leaking pipes made the walls damp. The walls were white washed but had long since turned into a dull gray. The ceiling was covered with a yellowish cloth and was torn in places and rats used to fall in from the roof onto our beds. It was a constant battle to try to keep any form of hygene since the prison seemed to be the breeding ground for fleas and rats.

The rest of the women prisoners were housed in the larger room and at one time there were over 200 prisoners in a room that was built for forty, sharing one toilet. Later due to the growing number of political prisoners, another building was erected made out of corrugated iron. Some beds were provided initially for non-political prisoners (i.e. criminals) while the political prisoners were made to sleep on the floor. Because of the greatness of their number, the political prisoners had to trim their mattresses to 45 cm width and to share that narrow space with another person. Later some more beds were provided and some beds were allocated to political prisoners who were elderly and to political prisoners that were there the longest. Despite the fact that the majority of the women in my family were old, and we were the longest in prison, no beds were provided for us. Thirteen years later members of my family who are still in prison still sleep on mattresses on the floor.

The authorities did not provide prisoners with anything. Food, bedding and clothing was provided by families of prisoners. For the prisoners that have no relatives living in Addis Abeba, for example the Eritreans, the majority of whom were brought from Eritrea, this was an additional hardship. They managed to survive by selling handicrafts which they made and asking relatives of prisoners to sell these and buy food for them.

Political prisoners were allowed to see visitors once a week on Sundays between 9 am and 1 pm. Once again my family was excluded from enjoying this priviledge. Instead we were allowed to write to, and receive letters from our relatives and friends (in Amharic and only five lines). In the nine years I spent in Alem Bekagn I was not allowed to see my relatives once. Now my sister and my brothers who are still in the country have permission to see my mother once a week in the prison administration offices. The rest of the family are still not allowed to see visitors.

There was a clinic inside the women's quarters but it was only equipped to deal with minor cases. Once a week a doctor came to visit prisoners and most cases were referred to one of the hospitals in Addis Abeba, but getting there was the problem. There were not enough vehicles to take prisoners to the various hospitals, and not enough soldiers to accompany prisoners. In the beginning political prisoners were not allowed to leave the prison compounds at all, so we all had to make do with whatever medication the prison provided. I developed a skin disease ("discoid lupus") three months after I arrived at Alem Bekagn prison, and I did not get proper medication until my last year of imprisonment.

Torture

Although torture is prohibited by law in Ethiopia, I have seen women torture-victims at Alem Bekagn. Torture was used extensively in the Government's "Red Terror" campaign in 1976-78, particularly against the EPRP, to obtain confessions of involvement in political activities against the government, and to obtain information on political opponents. Many of these women made false statements to avoid further torture.

Nearly all torture of political prisoners occurred in the Central Investigation Centre (Me'akelawi Memeria). Several women prisoners underwent numerous sessions of torture over periods of several weeks. The most frequently used method of torture was prolonged beatings on the soles of the feet while the victim was suspended from a rope in a contorted position. Many women prisoners were raped or had sticks or metal bars inserted into the uterus.

Neither I, nor any other member of my family, was ever subjected to any physical torture. Our torture was mental brought on by our long term imprisonment.

CONCLUSION

Since I left my country soon after my release in 1983 I have been silent and have not campaigned vociferously for the release of my family as I ought to have done. This was for fear of antagonising the government and lessening the chances of release for my family who are still in prison and fear of reprisals to the rest of my family still in Ethiopia.

I have decided to break this silence because of their continued detention and the fear that if they are not released soon many of them will not survive the harsh hardship of conditions of prison life for very much longer.

□ 1630

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. ROTH. Mr. Speaker, I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, let me first of all commend the gentleman from Wisconsin [Mr. ROTH] for calling this special order. The gentleman has been in the forefront of efforts to expose the true nature of the Mengistu regime in Ethiopia. His leadership and initiative have kept this important issue on the front burner, and I commend him for it.

Let me also say a word about my own involvement. As the ranking Re-

publican on the Subcommittee on Africa in 1983, I was part of a congressional delegation that visited Ethiopia that year. My interest and concern for the situation in that country has continued throughout my service on the Subcommittee on Human Rights. Since 1984, this subcommittee has conducted three hearings on the situation in Ethiopia, and the fourth one is scheduled for the week after next.

I have always commended Chairman YATRON, our colleague from Pennsylvania who chairs the Subcommittee on Human Rights, for his great interest in seeing to it that the truth about Ethiopia comes to light. And I commend him again today for his continuing leadership in this area.

Mr. Speaker, why is it necessary for three public hearings to be conducted concerning an impoverished country that is 5,000 miles away? The reason is simply this: The United States and the free world have been bailing out the failure of yet another Soviet client. And there is no end in sight. On the very weekend last month when Dictator Mengistu formalized the establishment of the People's Democratic Republic of Ethiopia, the free world was once again asked to rescue his regime from the consequences of his policies. The appeal for emergency food and humanitarian assistance was addressed, appropriately enough, to the free world—which provided more than 95 percent of the aid the last time Ethiopia was confronted with famine.

The tragedy in Ethiopia is all the more poignant because that country was once our closest ally in sub-Saharan Africa. To this day, the Ethiopian people have a deep affection and respect for America and the American people. They long for the day when we will come back to help them—the day when Dictator Mengistu and his Communist thugs get thrown out.

Ethiopia is a beautiful country and the Ethiopian people are proud of their ancient heritage and traditions, and rightly so. But, since the mid-1970's their country has been ruled by a ruthless Communist tyrant. Dictator Mengistu leads a murderous regime whose cynicism and brutality are apparently without limits.

Following my remarks, I would like to insert in the record an article, entitle "Power and Famine in Ethiopia." This article was written by a man who knows what he is talking about—Mr. Dawit headed up Ethiopia's famine relief efforts in 1984 and 1985. In this article he writes, "I have known Colonel Mengistu very well and have seen him change from an apparently nationalistic leader into a disoriented demagog who has made Ethiopia an appendage of the Soviet Union." But I ask you, Mr. Speaker and Members, where does Dictator Mengistu turn when the going gets rough?

I am one of the few Americans who have spoken with Dictator Mengistu face to face. I have heard him revile our government as a bunch of terrorists, exporters of revolution, and imperialist aggressors. But to whom does he hold out his tincup? To the Soviet Union, which has enabled him to build the largest standing army on all of the Africa continent? Or to America and the free world, who really care about the fate of millions of suffering Ethiopians?

I will say today what I said then, after meeting with him, that Dictator Mengistu's priority is crystal clear: to remain in power, no matter how great the toll in human suffering. Sitting atop 4 billion dollars' worth of Soviet armaments, he is unlikely to change his priorities anytime soon. That's right: 4 billion dollars' worth of Soviet armaments have enabled Dictator Mengistu to build the largest standing army in all of Africa—an armed force even larger than those in Egypt and South Africa, an armed force whose primary mission is to defend Dictator Mengistu and his regime from the very people he claims to have liberated.

Mr. Speaker, we could go on all night talking about the ongoing tragedy in Ethiopia—about sadistic human rights abuses, about planned famines, about civil and political repression on a scale so monumental as to be incomprehensible. Suffice to say that the fact Ethiopia is facing another famine comes as no surprise to those of us who have followed this situation for some time.

In conclusion, I will read the final sentence from the article I am submitting for the record. Mr. Dawit, the famine relief commissioner in 1984 and 1985, has this to say: "Unless the regime changes its policies, there will always be famine and starvation, and millions more will die."

Mr. Speaker, I thank the gentleman for holding the public hearing. I only hope that the gentleman, as the ranking Republican on the Subcommittee on International Economic Policy and Trade of the Committee on Foreign Affairs that has jurisdiction over sanction legislation, will help the Members in holding public hearings jointly with our Subcommittee on Human Rights and International Organizations.

The gentleman has not scheduled any yet, and I would urge the gentleman to do so, and I thank the gentleman for holding this special order.

Mr. Speaker, I submit the January 12, 1987, Wall Street Journal article as follows:

POWER AND FAMINE IN ETHIOPIA

(By Dawit Wolde Giorgis)

Ethiopia holds the world's attention because of the famine that has killed a million people. But the world has yet to wake up to political realities in Ethiopia and the truth about its head of state, Lt. Col. Mengistu Haile Mariam, whose fantasies are ruining a nation.

I was an energetic supporter of the revolution when it began in 1974, ending the reign of Emperor Haile Selassie. The Selassie era commenced with years of relative peace and hope, but the emperor was finally deposed when Ethiopia's feudal system could not accommodate the aspirations of an emerging generation of better-educated Ethiopians. Under Selassie, modernization exposed Ethiopia to the outside world, leading to the development of a Western-educated elite. Demands for freedom and economic reform, particularly land reform, became widespread. The student movement, both inside and outside Ethiopia, became the most important catalyst for change.

ORDER OF THE DAY

These developments led initially to the unsuccessful uprising of 1960 and later to the violent revolution of 1974. In the ensuing struggle to overthrow the Selassie regime, many Ethiopians joined the opposition or secessionist movements, others fled the country, and still others were jailed or executed. Ethiopians were ready to accept those sacrifices as the price they had to pay to bring about the change they longed for. Instead, their hopes were shattered as they became victims of the unfolding events.

Today, chronic food shortages, civil war, political unrest and famine are the order of the day in Ethiopia. Any measure is justified if taken in the name of Marxist-Leninist ideology. The prisons are full of victims of arbitrary arrest and injustice by a regime that routinely resorts to torture. Thousands have disappeared or have been summarily executed without trial. Millions of peasants are being uprooted from their homes and villages to implement a policy of regimentation of the rural population and collectivized farming.

Col. Mengistu's dream and primary objective is to make Ethiopia the first African communist country, in the fullest sense, by restructuring the national social fabric and creating a regimented, controlled society. His second objective is to assume leadership of the communist movement in Africa. Both objectives are connected. His domestic programs and policies cannot be successful so long as there are opposing political systems in most of Africa and the Middle East. In the spirit of the Marxist slogan of "proletarian internationalism," he has begun to instigate and support left-wing revolutions on the continent and in the Middle East.

I have known Col. Mengistu very well and have seen him change from an apparently nationalistic leader into a disoriented demagogue who has made Ethiopia an appendage of the Soviet Union. Within the first six years of the revolution, he effectively eliminated independent political pressure groups. Since then, the real Col. Mengistu has emerged as an unchallenged leader who wants to exact revenge for injustices he experienced as a youth. His family was not part of the Amhara, the Christian highland ruling class, and he is obsessed with a desire to settle scores with a society that castigated him.

His decision to adhere to Marxist ideology isn't the result of any intellectual analysis of ideological and political options, but a personal choice: A Marxist-Leninist system can give him power to do whatever he likes.

The Soviet Union encourages this kind of abusive power. The final seal on an Ethiopian-Soviet alliance was stamped in 1984 with the formation of the Marxist-Leninist

Workers' Party of Ethiopia. To reinforce the measure, the regime established a communist state structure parallel to that of the Soviet government.

Col. Mengistu does not attempt to resolve complex issues through compromise and negotiation. He has one solution—force. An example is his aggressive response to the conflict in Eritrea. Fundamental in the search for a peaceable solution to that conflict is a recognition of the Eritrean rebels' long-term grievance against a central government that has suppressed its people's desire for local autonomy. But Col. Mengistu has failed to address the Eritreans' concerns, causing the needless death and suffering of millions during the past 12 years. In his eyes, to embark on a path of diplomacy and permit negotiations with the rebels would indicate failure.

The 1984–85 famine offers the most recent evidence of the cruelty of the Mengistu regime and the bold contradiction between the Ethiopian reality and the illusions of the leadership. In early 1984 the regime was preparing to celebrate lavishly the 10th anniversary of the revolution and inaugurate the Workers' Party of Ethiopia. More than $100 million was spent on the festivities. But the months of March to May in 1984 were also a critical time for preparations of another kind. The government needed to respond quickly to an approaching disaster: Drought brought on by the failure of the seasonal rains threatened the lives of 17 million people. An early warning report on crop failure announced that without immediate assistance, residents in drought-stricken areas would die of starvation.

Col. Mengistu, who talked only of success and never of failure, considered the famine to be an embarrassment. His indifference to the emergency aggravated the effects of the drought, leading to mass death, starvation and migration at the earliest stage of the crisis. While he directed the extravagant preparations for the anniversary celebration in Addis Ababa, the famine was ravaging the countryside.

When the four-day celebration was held in September 1984, thousands of Ethiopians were dying in the countryside or had abandoned their homes, trekking across the desert and mountaintops in search of food and shelter. Many walked all the way from the nothern part of the country to the gates of Addis Ababa. The Commission on Relief and Rehabilitation, which I headed, was instructed to stop them, and police were sent to make a human fence around the capital to prevent these people from entering the city and spoiling the show.

I met with the refugees. They had lost their cattle, abandoned their homes and property and were on their way to the southwestern part of the country to begin a new life where they would have access to sufficient water and fertile land. The commission started a resettlement effort for these people, who were already dislocated.

Our program was designed to organize this spontaneous migration of people, facilitate their movements and help establish them in more productive parts of Ethiopia. But Col. Mengistu, who wanted to take political advantage of their situation, launched a massive resettlement program of 1.5 million people. He believed it an opportune moment to form model collective farms because it was easier to experiment on helpless people.

There were many volunteers at the initial phase of the campaign, but their numbers did not meet the target established by Col. Mengistu. Force had to be used, and a vast number of people were herded like cattle, loaded on to trucks and airplanes and sent to the south.

The world is owed a debt of gratitude for its generous response to the victims of the famine. But the humanitarian assistance has not only saved millions of starving people—it has also helped Col. Mengistu and his regime. Without foreign aid, there would have been bloody chaos, ultimately leading to the removal of Col. Mengistu and the ruling elite.

The future of the Commission on Relief and Rehabilitation is uncertain. As it struggles to address the effects of the famine and coordinate relief, it has been increasingly frustrated by government policies that interfere with its autonomy. The regime now views the commission as an instrument of Western political interests. After the present crisis is over, the agency is likely to be dismantled and reestablished as a communist party structure.

NINE-HOUR MEETING

Just before I left Ethiopia, I was summoned by the government to testify on the activities of my agency. During the nine-hour meeting, the human problems that resulted from the drought were not addressed. The subject of discussion was the political costs. Government officials believed that Western imperialists were using the drought to destabilize the Ethiopian revolution. Agency personnel were accused of masterminding this conspiracy and collaborating with Western agents to overthrow the government or encourage a hostile atmosphere that would pave the way for another revolution in Ethiopia.

In the coming years, Ethiopia won't attract the attention of the world as it did in 1984–85. I make this prediction not because the crisis is over but because the prevailing situation remains unchanged and is no longer newsworthy. Unless the regime changes its policies, there will always be famine and starvation, and millions more will die.

(Mr. Dawit, commissoner of relief and rehabilitation in Ethiopia from 1983 to 1985, defected to the U.S. in 1985. This is based on a talk he gave recently to the East-West Roundtable in New York.)

Mr. ROTH. Mr. Speaker, while I appreciate the gentleman for the gentleman's contributions; and yes, I think it is important to have hearings, and that is one of the reasons that I, of course, introduced the legislation, and I appreciate the gentleman from New York coming over and helping me today.

I also, of course, by a letter invited last week the chairman of the Subcommittee on Human Rights and International Organizations, and also the chairman of the Subcommittee on Africa, so that appropriate dialog could take place and we could talk about this particular issue.

I think there are a good many committees in the Congress who should be working on this, especially the Subcommittee on Human Rights and International Organizations.

After all, you can name any freedom, and it does not exist in Ethiopia.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. ROTH. Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding to me.

Do I understand the gentleman to say that 1.2 million people have been murdered in Ethiopia?

Mr. ROTH. I quoted from Mr. Dawit.

Dawit, who was at the right hand of Colonel Mengistu, gave us that number at the Washington Press Club 2 weeks ago, yes.

Mr. WALKER. 1.2 million people?

Mr. ROTH. Yes.

Mr. WALKER. This is a massive genocide that is unequaled in nearly any other area of the world.

The only place I can think of in recent years is the massive genocide that we now understand took place in Cambodia, but we have not had anything to equal this any other place in the world, is that correct?

Mr. ROTH. The gentleman is correct. That is one of the reasons the President, when he talks about the number of countries; for example, that the United Nations a few years ago pointed to Ethiopia as an example of where tremendous atrocities were taking place.

Mr. WALKER. The gentleman is an expert in this area; I am not.

Let me see whether my understanding of the situation from articles that I have read is correct.

This 1.2 million people have been murdered as a result of direct government policies, is that right?

Mr. ROTH. That is correct, as a result of government policies of resettlement, government policies of not allowing food to go into certain areas; for example, northern areas of Ethiopia, yes.

That is why I am going to be submitting the remarks of Mr. Dawit, so that they can be reviewed by the entire Congress.

Mr. WALKER. If the gentleman would yield further, Mengistu in Ethiopia has, according to one columnist, employed government-engineered starvation to liquidate millions of his people who oppose his regime.

Is that a correct statement?

Mr. ROTH. Yes, that is a correct statement; and that comes from not only Mr. Dawit, but other defectors from Ethiopia.

The gentleman has to recognize that many of the ambassadors; for example, to England, and some of the Scandinavian countries, Japan, these people have all defected to the West.

The story is always the same, and that is one of the reasons that I was upset that at our human rights hearing that we had, that so-called hearing, none of the defectors were allowed to testify.

We had people from as far away as London coming to the United States

who were not allowed to testify. They came at their own expense, not at some government expense, or expense of some foundation, but their own expense, because they had been in prison in Ethiopia; and they wanted to speak out, and they were not allowed to speak out.

Mr. WALKER. I am interested in pursuing, and I think it is important for me to understand and hopefully for others to understand, just exactly what is taking place in Ethiopia.

That is a pretty frightening statement, that you have a government there that is specifically engineering starvation in order to kill millions of people for political purposes.

If I understood the gentleman correctly, the gentleman is saying that that is what is taking place in that country?

Mr. ROTH. In 1984 and 1985; for example, in Tigray, the food was being held from that province because of political disagreement. Of course, it was going on.

You had people rebelling against the government in Addis Ababa. Food was being withheld, that is correct.

Our relief organizations are saying that this famine that is going to be striking within a couple of months, that they have an agreement that food will be allowed into those areas; but of course, our relief organizations in the past have always put the best light on the present situation.

It is only after the situation is over and we hear from some of the people that live through those events, that the real truth comes out.

Mr. WALKER. In other words, we have coming at us very quickly another wave of starvation in Ethiopia.

It is going to receive an awful lot of coverage, because once again we are going to have the children with the bloated bellies, the camps where people are lying on the ground starving with insects flying around them and so on, scenes of just the most horrible kinds of death inflicted upon people.

What we know from the past, and what we are led to now understand for this new wave of starvation, it is specifically engineered by the government, is that correct?

□ 1645

Mr. ROTH. There is a famine coming, there is no doubt about that.

Mr. WALKER. And it is undeniably man-made.

Mr. ROTH. There are a number of variables, but yes, the government has a lot of blame for that.

Mr. WALKER. And let us understand how it is taking place. As I understand, the government will go into areas and according to some testimony we have will literally round up families, separate the mother from her children, separate the mother from her husband, send them out in all kinds of different directions. When one such woman was given a pass by the troops, in other words, sent away by the troops, she complained about being taken away from her husband and children, I was told, and the soldiers laughed and told her, "What do you care about your children? You'll find new ones."

I mean, it is a brutality of unbelievable proportions.

As I understand also, and I would appreciate it if the gentleman could confirm this, the kinds of things they do, they go in and surround the village. They burn the crops. They round up the animals and round up the people and supposedly, I guess, just take the animals off so the Mengistu can have beef for dinner himself while he starves the people and then takes these people, holds them in prison like common criminals, and then gives them little food and little water in those particular locations, and that 60 percent of the people rounded up in that way are dying or being killed in some instances. I mean, is that a real situation?

Mr. ROTH. I was pointing out in my prepared remarks, I will tell the gentleman from Pennsylvania, before he came on the floor, I was talking about an example that was given to us by Millicent Fenwick. I think the gentleman probably will remember her. She served here in the Congress with us and later on became Ambassador in Rome for food and agriculture. She talked about the case where for example in Mekele, where they told the people in the outlying areas that food would be available at Mekele, so 1,100 of the most able and strongest men came into the area to bring food back to the children and to the women, and what happened when they arrived, they took these people and forcibly transported them 500 or 600 miles to the southern part of Ethiopia and no food, of course, ever came back. They separated those men from their families.

This is testimony that Millicent Fenwick gave us before the Human Rights Subcommittee.

Mr. WALKER. And in the meantime, while these people were starving, as I understand it, Mengistu at one point threw a $100 million birthday party for his regime and kept the starving people outside the city at bayonet point.

Mr. ROTH. Well, there is some disagreement as to how much money was spent, whether it was $100 million or $200 million.

Mr. WALKER. But $100 million is the low figure.

Mr. ROTH. Yes, but we know this from fact, that in 1984 at the 10th anniversary of the so-called government they had a huge celebration and, of course, they brought in all the people from the eastern countries, the Soviets and all.

Mr. WALKER. The Soviets went down there and kind of partied for a few weeks at the expense of the starving, is that it?

Mr. ROTH. And what happened is that they did not buy 40 bottles of Scotch or 400 or 4,000 or 40,000, but 400,000 bottles of Scotch.

Mr. WALKER. No vodka?

Mr. ROTH. At the same time, a stone's throw from Addis Ababa people were starving to death; so I think it is a graphic demonstration of what kind of leaders these people have.

You have to remember that this is an ancient civilization, Abyssinia, a great culture, a great people, a gifted people, and for those people to be held under a thug like this and the United States of America does not speak out, we in this Congress do not speak out, is a real mystery.

Mr. WALKER. Let me go back to a point the gentleman was making a minute ago, which is very disturbing. In other words, we know that these kinds of atrocities are going on, and if I understood the gentleman correctly, some of the people who have been witnesses to this kind of barbarism, to this kind of brutality, to this kind of absolute atrocity, came to this country at their own expense, wanted to testify before the U.S. House of Representatives, and were denied the opportunity to do so?

Mr. ROTH. Yes, and the reason I say that, I want to be fair with everyone, so last week I sent a letter to the chairman of the Subcommittee on Africa and the Subcommittee on Human Rights and told them that we were going to take an hour on Wednesday to talk about this issue so that they could come here.

There is a young lady, for example, just to use one example, who came to me after the hearing. Her name is Rebecca. She came all the way from London. She had been in prison for 10 years when she was 21 years old. She went through all kinds of gruesome torture. After the hearing, she came to me and said, "You know, I came all this way at my own expense. I can't come back again, but I have a real story to tell and I want to ask you, Congressman, why wasn't I allowed to tell the story?"

Mr. WALKER. She was not allowed to tell her story before the committee?

Mr. ROTH. That is right, so what I did, I took her testimony.

Mr. WALKER. She can come back, can she not?

Mr. ROTH. Pardon me?

Mr. WALKER. She can come back, can she not?

Mr. ROTH. Well, she sent me a letter afterward and she said that she

paid her own way, despite the fact that she is in financial difficulty.

I mean, how many times do you want this woman to come back?

Mr. WALKER. Well, that is just completely unacceptable.

If in fact we had in other situations where the left in this country was focusing on the brutality of some right-wing regime, not only would we hear from the people, but the committees of this Congress would pay their way to get them here so that we could hear from them.

In this case, what the gentleman seems to be telling me is that these people came at their own expense to tell their story and we refused to even listen to them?

Mr. ROTH. That is what I am telling the gentleman, yes.

Now, we are going to have a hearing. Of course, no one has told me about that. I just found out about it when our friend, the gentleman from New York [Mr. SOLOMON] was here. He serves on the Human Rights Subcommittee. He told us there was going to be a hearing on October 21; but I think you have to give the people some notification that you are going to have a hearing. Many of these people are out in various parts of the country and the world and would come here to testify. I think we want them to testify. I am glad we are having this hearing.

But the question I have is, Who are we going to have at the hearing? Is this going to be a whitewash again?

You know, this entire issue of Ethiopia has been swept under the rug. No one has raised their voice. I think we have an obligation on these things.

I think Millicent Fenwick is right when she said that if you see horrendous crimes like this taking place and you do not speak out, you become a part of the problem.

Mr. WALKER. How many years has this been going on?

Mr. ROTH. Well, since this government was installed in Ethiopia for 13 years, but we have been following this since the famine of 1984–85.

Mr. WALKER. So we have had at least 3 years in which to act and really probably should have acted some time within the last 13 years and have done nothing.

Mr. ROTH. Well, we are acting now, because we have a bill before the Congress, H.R. 588, that has more than 60 cosponsors. We want to send a strong message to Ethiopia.

You see, the thing is we want humanitarian aid to Ethiopia to continue, because there are some 5 million people who are suffering and have a strong possibility of dying of starvation. We do not want anyone to starve. We want to help these people, but we do not want to help their government.

I think the way to help the people is by giving humanitarian aid, but also telling the world what kind of government this is and not trying to whitewash this government. I think that is what we have to do.

Mr. WALKER. Should we not make every effort to make certain the government does not get one ounce of that food or any dollars, so that the aid goes directly to the people, rather than going through a government that engineers starvation of its own people?

Mr. ROTH. Yes, I know. That is what we want to do, but we have to take a look at what is taking place. What took place the last time when generous Americans—and we want to give aid, we want to help these people—brought the food to Ethiopia, we had to pay $50 for every ton of donated food in order to unload it at the docks. Then in order to take this food from the docks and take it to the hinterland to help the people, the Ethiopian Government said, "Well, why don't you load it in your own trucks?" But it could not be just any truck. It had to be a Mercedes, and after 2 years the truck had to be handed over from the agency to the Ethiopian Government.

They had another little provision, which was this. You have to get a license. You have to get a permit to bring that truck into the country. You know how much they charged for that? $50,000. That is why there are estimates that the Government made as much as $200 million off the famine. Maybe that is how they paid for their big celebration in Addis Ababa in 1984.

Mr. WALKER. Well, I thank the gentleman for bringing this to our attention. It is one of the sickest stories in the world and this Congress ought to be listening to it because we ought to know the brutality of the Communists around the world. We focus all the time around here on what happens in rightwing regimes, and we ought to. We ought to be for improving human rights in any kind of regime in the world, but I am sick and tired of excusing leftwing regimes that are engaged in some of the most brutal, sickening policies of all times, and basically excusing them in the Congress because we do nothing about it.

I want to thank the gentleman for his leadership in making certain that this particular episode in world history is exposed so that we have some opportunity to act on it.

Mr. ROTH. Well, I thank the gentleman. I appreciate the contribution of the gentleman from Pennsylvania. As always, the gentleman comes right to the core of the issue. I think the gentleman makes a very good point. We do not want a double standard, we do not want 3 standards, 10 standards, or 100 standards. We want one standard for all the nations of the world.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. ROTH. Yes, I am happy to yield to my friend, the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, let me say first of all that I appreciate very much the gentleman undertaking this cause, not just today, but in the constant effort the gentleman has put into this.

I want to ask this before I get into specifics about where we are at today. In the gentleman's investigations, does anybody in the Communist dictatorship starve?

Mr. ROTH. No. In fact, the Communist dictatorship lives very well. There is a book called "Breakfast in Hell" by a doctor by the name of Harris who spent time over there and was helping the people of Ethiopia throughout their country. He has written this book. He, of course, points out how well the ruling elite live, not how the general people of Ethiopia live, and that is why it is so important I think for us.

You see, there is a great untold story here. People know the story, but no one has told the story. Ethiopia has a story to tell and we want to tell that story. I think we have an obligation to tell that story to the world.

Mr. GINGRICH. It seems to me, Mr. Speaker, if the gentleman will yield further, that when we look at the history of the famine in the Ukraine under Stalin and look at the way the Communists in the Soviet Union were willing to starve people in the Ukraine and now we look at the use of food as a weapon in Ethiopia under a Communist regime, there are frightening parallels in the willingness of Communists to allow the most vicious and most brutal kind of famine on the part of those whom they hold in slavery, and yet in both cases there were people in the West, particularly people on the left, who would deny that anything was going on. There were people who visited the Soviet Union during the great famine which killed millions of Ukrainians and came back to the West and said, "Nothing is going on there. There is no famine."

Today, there are people on the left in America and across Europe who ignore the reality.

I want to ask about this in particular. David Korn, who was our charge d'affaire in Ethiopia, wrote a book called "Ethiopia, The United States and the Soviet Union." On page 137 he says:

> On 24 December, Tibebu, still Acting Foreign Minister, called me in to complain about press reports of US food aid "for the secessionists". In the course of our exchange on this subject, Tibebu blurted out with more candor than he probably intended that "food is a major element in our strategy against the secessionists". The Ethiopian army, Tibebu added, tries to cut

the rebels off from food supplies. He threatened that it would destroy any food it found being brought into Ethiopia from Sudan.

Now, the question I want to ask the gentleman is that as I understand it, may I say to the gentleman from Wisconsin [Mr. ROTH], the gentleman had an amendment in the summer of 1985 which called on the President to impose a total embargo if the State Department reported back to Congress that food was being used as a weapon. Is that correct?

Mr. ROTH. That is correct, yes.

Mr. GINGRICH. Well, did the State Department report back that food was being used as a weapon?

Mr. ROTH. The State Department reported back and agreed with me in every contention; however, the State Department is not in favor of sanctions, they tell us, anywhere; so they were opposed to the sanctions, but they agreed that food was being used as a weapon. They agreed with us on every contention we had made.

Mr. GINGRICH. The State Department agrees, but then is impotent?

Mr. ROTH. Well, I will let the gentleman draw that conclusion.

Mr. GINGRICH. Let me go one step further, because I am fascinated by certain patterns here.

On pages 173 and 174 of Mr. Korn's book he says:

By its very existence the party helps create a bulwark for the regime. Because of the jobs and privileges they derive from party membership, a whole new category of people has a stake in the system. To a large extent the same can be said of Ethiopians returning from study in the East Bloc. According to official Soviet figures, the Soviet Union provides over 500 scholarships a year to Ethiopian students at the undergraduate and post-graduate levels and the number currently in these programs is nearly 2,500.

If shorter technical training programs are included, the number of Ethiopians studying in the Soviet Union must be much higher. Figures for Ethiopians in school elsewhere in the East Bloc are not available, but East Germany, Bulgaria and Cuba all have large training programs.

It is estimated that some 20,000 young Ethiopians have passed through the Cuban center for indoctrination and technical training on the Isle of Pines.

□ 1700

The point I want to make, and I want the gentleman to comment, if he would, I want to ask the gentleman because it seems so clear a parallel that students of history who have studied the way the Soviet empire expands and studied the use of Cuba and training centers and have studied the way in which the Soviets used food as a weapon, and have studied the mass starvation in the Ukraine, and the mass murder in Cambodia, and now mass murders in Ethiopia, should we not as we look at Nicaragua and as we look at Angola and as we look at Afghanistan, and as we try to come to grips with the nature of this Communist disease, should we not recognize that we need a much more aggressive policy in Ethiopia, and we have an obligation in our concern for human rights to have the courage to stand up to a dictatorship willing to starve its own people.

Mr. ROTH. I think that is a question many of us have been asking. I asked a similar question of Dawit at our press conference. We were talking about this issue and he of course says that the people in the West are wishful thinkers. They feel that things will turn out the way they wish they will. So, for example, when he introduced some Westerners, especially Americans, to Mengistu, why he flattered them, and they walked away and they felt maybe we can work with this man. It is something like Neville Chamberlain trying to work with Adolf Hitler. So it is a historical thing.

People have said we never learn from history, we always repeat it, we never learn from it, and the gentleman having a doctorate in history I think probably would agree.

Mr. GINGRICH. If the gentleman will yield one more time, let me just say I think just as people can learn from history that the gentleman is fulfilling the same tradition as Winston Churchill of standing up here today and speaking out for freedom and having the courage to tell the truth, and I for one want to encourage every citizen in this country to pay heed to this terrible human tragedy in Ethiopia.

I thank the gentleman for his fine leadership he is showing on this topic.

Mr. ROTH. I thank the gentleman for those very nice remarks.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. ROTH. I am happy to yield to the gentleman from Virginia.

Mr. WOLF. Mr. Speaker, I thank the gentleman for yielding. I was listening to this special order back in my office and I felt compelled to come over.

I was the first Member of Congress to visit Ethiopia and live in the refugee camp. Several other Members had been there a couple of weeks before when the first famine developed, and I will tell you what the gentleman said is accurate. There were many Ethiopian citizens who were forced into the trucks and the airplanes and forced from the northern part, Eritrea and Tigre down to the southern part, and they emptied out of the trucks and were forced into a different environment. It would be like taking someone from Colorado and then putting them in an airplane or a truck and taking them down to Guatemala and releasing them without any tablets or medicine for malaria or things like that.

Second, we saw the Soviets, and the Soviet helicopter ships were there, and the gunships, and the Soviet weapons and the Cuban troops, and everything the gentleman said about Mengistu is absolutely right.

As the gentleman knows, Millicent Fenwick contended that the food given by the relief agencies during the famine of 1984–85 was used to lure these able-bodied men and women into the food sites. Once there, they were herded into vehicles and shipped to distant resettlement camps, and thousands died.

Second, Ambassador Richard Shifter, the Assistant Secretary for Human Rights and Humanitarian Affairs, an outstanding individual, testified that most civil liberties as written and signed by the Universal Declaration of Human Rights are nonexistent in Ethiopia. There is no freedom of speech, press, assembly is forbidden, travel is restricted. In this little town where we were one night, or at 3:30 in the afternoon, no one was allowed to leave the town. Soldiers guarded the place, it was just like being almost in a prison camp.

Travel is restricted, and religious groups such as Coptic Christians, the Orthodox Church, Protestant Evangelicals, and Ethiopian Jews have suffered tremendous persecution through the closure of churches, the nationalization of church property, and harassment, including arrest of religious leaders.

I will not take much more time. I just wanted to thank the gentleman for taking time to hold this special order so that our colleagues and the American public can really know, because this issue will be in the press quite a bit in the future. There will be another famine. We have an obligation to do everything we can to help the people of Ethiopia who are starving. I think we have an obligation almost based on Matthew 25 that those who are hungry we should feed them, and those who are in prison we should visit them, and those who are naked we should clothe them. But in the process I think we must make sure that we get the Mengistu government to respect human rights and bring about greater freedom of religion, press, and assembly.

I just want to thank the gentleman for taking this time.

Mr. ROTH. I thank the gentleman and want to thank him for coming over here and giving us the benefit of his experience. I heard of the days the gentleman spent in these camps and the poignant stories he can tell, and I want him to know that there was a man by the name of John Kennedy who was President back in 1961, and in his inaugural address he ended it by saying:

"And here on Earth God's work must truly be our own," and of all the people in the Congress I think that the gentleman is doing God's work, and I want to say thanks for that.

Mr. WOLF. I thank the gentleman very much.

Mr. YATRON. Mr. Speaker, I welcome this opportunity to discuss one of the most tragic and compelling human rights issues in the world today—Ethiopia. I want to commend Congressman ROTH for calling this special order and for his outstanding leadership in heightening public awareness of this matter.

As chairman of the Subcommittee on Human Rights and International Organizations, I have been actively working to pressure for human rights improvements in Ethiopia. In fact, this country has been a central focus of the subcommittee for several years. Most recently, on September 15, my subcommittee, along with the Subcommittees on Africa and on International Economic Policy and Trade, conducted the first of a two-part hearing on Ethiopia.

Testimony presented by the Assistant Secretary of State for Human Rights and Humanitarian Affairs, Richard Schifter, and by a former House colleague and U.S. Ambassador to the U.S. Food and Agricultural Organization, Millicent Fenwick, showed that human rights conditions in Ethiopia remain one of the worst in the world with little prospect for improvement.

The subcommittee will continue its investigation into this appalling situation later this month in which we hope to hear from some prominent Ethiopian defectors, scholars, and representatives of nongovernmental organizations intimately familiar with this subject.

Over the years, the subcommittee has been able to document a long list of abuses committed by the nefarious despots in Addis Ababa. In August 1984, at a hearing on the Horn of Africa, the extent of Ethiopian repression was poignantly depicted.

On October 16, 1985, at the subcommittee hearing on Human Rights and Food Aid in Ethiopia, evidence was presented indicating that the regime was deliberately manipulating food assistance for blatantly political ends. Congressman ROTH testified at this hearing and called for strong economic sanctions to pressure Ethiopian authorities to change their human rights policies.

In addition, the last 2 years, at the subcommittee's hearings to review United States human rights policy, Ethiopia played a prominent role in the discussions. In 1986, at a subcommittee hearing on the U.N. Human Rights Commission, United States, as well as United Nations, policy toward Ethiopia was pursued.

It is indeed most unfortunate that the subcommittee's extensive investigations into the Ethiopian situation reveal that the people of that country continue to suffer under a ruthless, brutal, tyranny that exercises complete control over the press, education, labor activities, political processes, the legal system, and freedom of movement. No dissent is allowed, and there are no political or civil freedoms. Arbitrary arrests, torture, prolonged detention and detention without charge, and political killings are common.

The Ethiopian regime continues to pursue Marxist collectivization farm policies, which contributed significantly to the famine and poor state of agriculture in that country. The Communist-run economy continues to deprive people of their economic potential, keeping that nation one of the poorest in the world.

Perhaps most unsettling are the revelations that the Ethiopian regime's resettlement and villagization programs resulted in the deaths of tens of thousands of innocent people, family separations, beatings, and countless other heinous abuses. Port fees, taxes, and other bureaucratic obstacles deliberately erected by the government seriously inhibited the flow of food aid to the starving people.

This special order is most important. I hope that it will serve as a catalyst to greater action to press for human rights improvements in Ethiopia. Clearly, quiet diplomacy will not work. Only through relentless international pressure will there be a chance for change. The temporary suspension of the resettlement program and expressions of concern over another impending famine by Ethiopian authorities indicate that even the hard-core in Addis Ababa are sensitive to international scrutiny.

The State Department authorization bill, as passed by the House, includes a condemnation of Ethiopia. Clearly, more must be done. A bipartisan, united foreign policy is always optimum in promoting and protecting America's interests. The situation regarding Ethiopia is ripe for such cooperation. I call on the administration to increase economic and political pressure, take the lead in international fora, and work closely with Congress to reduce the terrible plight of Ethiopians.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mrs. Emery, one of his secretaries.

EXTENDING PERIOD OF MAXIMUM EFFICIENT RATE OF PRODUCTION OF NAVAL PETROLEUM RESERVE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 100-110)

The SPEAKER pro tempore (Mr. HUTTO) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Armed Services and ordered to be printed:

(For message, see proceedings of the Senate of today, Wednesday, October 7, 1987.)

U.S. POLICY IN CENTRAL AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, you have been most patient, and I can assure you on this day that even though I have been granted the maximum time allowed under special order of 1 hour I shall scarcely have need to use but just a fragment.

Mr. Speaker, I am compelled to rise because I have been from the very beginning, 1981, a consistent, and to the extent of my human power, a very vocal critic of President Reagan's actions with respect to Latin America generally and specifically Central America, and more specifically Nicaragua.

The Washington Post today carried the front page story that I think is very hopeful in that it indicates and predicts that President Reagan in an appearance or an address to the United Nations will affirm or show at least some adherence to the so-called President Arias peace plan, President Arias being the President of Costa Rica, and whom we had the great pleasure and privilege of listening to here in the Hall of the House in a joint caucus. It was not a joint session, but a joint caucus meeting of the Democratic caucus and the Republican Conference of Republicans sponsoring that appearance.

The fact that President Reagan, if this story is correct, and if it turns out it will be correct, and I pray to the Lord Almighty that it is, has obviously realized that the Arias plan, put together in defiance of the United States and the President's State Department, has had overwhelming support, and then I imagine again with the accompanying story also on the front page of Speaker JIM WRIGHT's support of the Arias plan.

To back up a little bit, a few weeks ago the administration, that is President Reagan and Speaker WRIGHT, announced an agreement on a peace plan of some sorts. It was kind of vague. It was a little contradictory, and I said so in the last appearance I had here on the House floor. However, I must remind my colleagues, and through them the people they represent, the American people, that even if the President accepts in good faith and truly adheres to supporting the so-called Arias plan, that it will be most difficult to bring about a realization of a consistent, creative, and wholesome policy. One thing is to have done what the administration has done for 6 years or so, and that is jump from one to another position, speak out, then backtrack, and the other is to be able to have the ingenuity, the wit, and the will, as I call it, to evolve a policy both short-ranged as well as vastly needed long-range approaches, because the cost to our country in its destiny and future development as we go into the history of cosharing of the destiny of this part of the world known as the New World must revolve itself in the light of what we do today. All future history is dependent on what is prologue at the time it becomes history, and that is the point we are living.

I have also, while raising my voice of criticisms, offered specific suggestions, those going back to the pre-Reagan era. That is April 1, 1980, when President Carter was President. It was obvious to me, without ever claiming any kind of expertise in the matter, that the United States was poised at a critical juncture in its relationship with the countries south of the border. It had to do with the fact that President Carter in the light of the developments in the Salvadoran regime in September 1979 had not evolved himself some creative approach to dealing with the Salvadoran revolution.

I will remind my colleagues that the Salvadoran turn of events in the last week of September resulted in the tumbling from power of the then put together junta, the second time that the present leader, Napoleon Duarte, had to flee the country, and the era of the so-called death squads, headed by the very questionable character, D'Aubuisson, who is still in El Salvador and who still has the support of very strong elements in the United States of America. And the fact that it came after the victory of the so-called Sandinista movement or rebellion in Nicaragua, which, if my colleagues will recall, triumphed in the early summer of 1979. I waited 6 months between September 1979 and April 1, 1980, failed to have any access to either the diplomatic, the State Department or the President himself, and therefore felt impelled, charged with knowledge—I have always felt that when an individual charged with a public trust such as this, and who is informed and has knowledge and fails to speak out, that he is in effect abdicating from a faithful discharge of that trust, which is the oath of office we assume and take when we assume office.

□ 1715

It has been with a great deal of reluctance and actual sadness that I have delivered from this floor what I consider to be very strong denunications, first of his first Secretary of State, Alexander Haig, second the consistent pattern followed by President Reagan; his oft-resorted hyperbole, Presidential hyperbole in calling and describing the so-called Contras hiding out in Honduras as the moral equivalent of our Founding Fathers.

I thought that was such a terrible and gross distortion and abuse of words and descriptive phrases that I denounced the President.

Then what I have said, leading to the introduction of the impeachment resolution that I introduced, House Resolution 111 on March 5 of this year, and the specific allegations that I incorporated in that resolution, six specific, one general, seven in all titles or articles, were because and as a result of what I considered to be and still do the plans in being to invade Nicaragua.

So that story today is a very happy one for me and I pray, as I said earlier, that this indeed be what the President will follow as a course. That is, for the first time trying to take the last remaining vestiges of America's suasive leadership power and incorporating it and perhaps even improving the so-called Arias plan.

But even if we were to, even if the President were to, he is going to find it very, very difficult to extricate himself, and so will the Congress, because in effect, the Congress and the President are being held hostage by some 20,000 individuals labeled as Contras or rebels, as the point of view may dictate, whom we have fed, whom we have armed, and whom we have stimulated to invade and destroy a regime with whom we are at peace, ostensibly; for we have a fully empowered envoy or ambassador in Nicaragua which testifies to the world that we accept that regime as a legitimate regime.

This kind of contradiction is a reason why throughout the world there is not one country of any size or consequence that has sided with us in the actions of this Government. It is the reason why the world court of justice or the International Tribunal for Justice found against us, condemned us of acts of terrorism and actually assessed fines with us for the first time since our country was one of those party-initiators of this tribunal. We walked out of that tribunal. We turned our back on world law and order and are found guilty by the world tribunal of acts of terrorism against the state of Nicaragua and causing destructive things to come about in their public buildings, harbors, docks, and the like.

These are things we are going to have to recognize. These are things that I think our leaders can exert leadership, in an effort to reconcile our cooperation, if indeed we do, with the Arias plan.

It has always been true that when one undertakes some activity that is not either legitimate, legally or morally, that many things follow in the wake of the pursuit of that violation.

The fact that the President would elevate to a position not entitled by the group called the Contras who have from time to time raped, pillaged, plundered, have killed American citizens and without any protest on the part of our Government, but who continue to receive aid even as a matter of less than 2 weeks ago this Congress approved $3 million in what I again call an abuse of words, "humanitarian aid."

There is no such thing under these circumstances. Clearly to my mind that indicates that we not only have to make some kind of pronunicamento or expression of atonement, we have to find a way to extricate our leaders, the President and the Congress, from being held hostage by these 20,000 or so individuals.

Now what has been the result of doing what has held us up to ridicule in the world? That is violating our own laws in providing aid and comfort to elements hiding out externally from a country that we are seeking to overthrow while we pretend to the world that given our Ambassador there we recognize that as the legitimate regime? It led to violating many other laws, including the sorry tale recently recited in these hearings of the joint committees of the House and Senate, the so-called Iran-Contra hearings, but actually which were natural concomitance with the desire of the President to avoid complying with the laws that the Congress had passed, enticing private citizens and inviting them to violate the laws, the neutrality acts—because there are several of those, the Logan Act and others—in order to aid what the Congress had mandated in 1984 should not be aided.

So it led to such things as the diversion of funds from the illegal trafficking in drugs, hard drugs, if you please, that some of the high echelon element in this Contra command have participated in with the aid and connivance of our own Government. It led to the CIA developing a private air force and holding our regular Department of the Air Force hostage and leading to such tragedies as the crash of this private craft at Kelly Air Force Base in my district, involved in a CIA operation; an equally tragic crash in California at another base, killing all five of the crew in that case; all of them involved in these clandestine operations to provide ostensible help and aid to the so-called Contras, most of the time hiding out in Honduras. Not having the support of the Nicaraguan people they have to hide out in that neighboring country.

We also have compelled, we have extorted the compliance, reluctant and unwilling, of the Honduran Government officials. Never have we received the consent of the Honduran people's representatives in their assembly. As a matter of fact, they have had resolutions denouncing the American military presence. We are occupying and have occupied Honduras, literally, so what are we going to do now? All of a sudden abandon those 20,000 without some viable means of accommodating a gradual disarmament of those individuals as perhaps the Arias plan may not set forth clearly? What are we going to do about all of the men that have become accustomed to violating the laws who are officials of our Government? To what other area will they translate their actions?

Just as in the case of the former General Secord, Colonel North, and a

couple of the others such as Armitage and a few others that we read about during those hearings, who first started out in Southeast Asia and had the same way of operating. General Secord, then starting out as a captain, or major, and as one of his assistants was 2d Lt. Oliver North. They then involved themselves, because Secord was involved in the so-called counter-insurgency, not only in South Vietnam but in Thailand and in Cambodia and in Laos where, through their activities in conjunction with the leading Southeast Asia drug trafficker, a multimillionaire if you please, successfully eliminated his competitors by killing, assassinating dozens and dozens of village mayors, councilmen, local officials, that they had accused of being sympathetic to the Communist movement in those respective countries. It led to the greatest importation of hard drugs to the United States ever, just as in the case in South America and Central America the cheek-by-jowl arrangement of our so-called law enforcement agents together with those that we considered anti-Communist and therefore are sympathetic to whatever cause it was that we thought we were advocating, led to the still-continuing, undiminished importation of hard drugs, the kind of drug traffic as I stated as early as 1970 and the kind of crime that has victimized our country, would not be possible unless that was a copartnership of the private sector, business, and government—government officials corrupted—and, of course, law enforcement agencies.

So until we are able to exterminate that, we will be victimized with what I called for 3 years "king crime."

Who is going to say that all of this indirectly stems from these mistaken notions and policies that have been the course of conduct of our leaders in the last 6 or 7 years?

So that, of course, I desire that the President in effect finally decide to join these countries. When the so-called Contadora process countries, which include four or five, Mexico, Venezuela, Panama, Colombia, first made their attempts for a peaceful approach, our Government, our President did everything in its power to obstruct, to prevent. The Arias plan resulted only after the Central American presidents, including the Sandinista President got together and decided and said, "Well, we are going to have peace regardless." Your only problem has been Honduras, because we dominate them so much that it is conceivable that before the first week in November when and if the plan is implemented a cease-fire will be declared, it is conceivable that the one holdout that can prevent that is Honduras.

However, the Honduran leaders have come out and have said—first they denied that they were giving official hostage to the Contras, they had to because before international law they could not stand up and admit that they were harboring them—so finally when they admitted, they said, "We are going to have to expose them," as they say in Spanish, "exposare", in other words, to expel. When that happened I think we had a crisis. This happened just less than a month ago. I think it is one of the reasons contributing to the President having a change of course. And I am glad he has. I want to compliment him if indeed he does. I think it is never too late to correct errors.

I regret that it has taken so long. I regret the cost that it is going to cost us in the future.

□ 1730

The history reveals that our country has been less than creative in asserting its leadership. When Simon Bolivar, the Great Liberator, was fighting for the independence of countries that are now individual countries in South America and also Central America, his dream after freedom was won from Spain, was to have what he called a grand republic of all of these countries to be governed in a common parliament.

Finally in 1826, in June, a meeting was convoked in Panama, and they reached some kind of tentative agreement but since the United States would not agree, in fact Secretary of State Henry Clay said definitely we cannot afford to have it, so that our policy since then in the last century and in the first part of this century up to about 1929 and the time of Calvin Coolidge was either, one, divide and destroy; or, two, invade and interdict with our Marines in what some of our historians got to calling gunboat diplomacy.

If somebody had told me 10 years ago that at this point in the 20th century we would have a President and a Congress to go along that would regress to 1929 with direct military intervention in Latin America generally, I would say that that cannot happen ever. It is not true. You cannot turn the clock that much.

If it had not been for Franklin Roosevelt's Good Neighbor Policy after Calvin Coolidge, we would never have had allies but instead enemies during World War II.

There were many, many Mexicans, many Central Americans and quite a number of South Americans who died in behalf of our cause in World War II. The Republic of Mexico even offered a squadron of fighter planes, Escuadron 200, Squadron 200, for service.

If you walk across the border in the border point at Tamaulipas, in Nuevo Laredo and you go to the cemeteries, you will see each year when we celebrate what we call Veterans Day, you will see flags flying over the grave sites of Mexicans who died in the war in the service of the United States.

Mexico permitted the United States to draft those eligible for the draft whether or not still Mexican citizens living in the United States.

So that all of that would not have been possible given the hard feelings after Coolidge and gunboat diplomacy. The occupation of Nicaragua by our Marines for 13 years, the imposition of the Somoza regime and the formation of the national guard to keep him in power, all of these were American government activities and we no longer live in that kind of a world. This is the reason I have been so critical. I have not done it because I have derived pleasure out of it but because I feel for the country. I feel that with the wit and the will developed by such leaders as Under Secretary for Latin American Affairs Sumner Welles, the architect of the Roosevelt policies, and I think we have Americans today that have that wit and that will and that capacity, we could have more brains than the enemy and bring about without loss of blood and treasure, not only a happy ending but a fruitful one where we could have a very, very, very successful economic relationship where we are the arsenal of democracy in time of war, and the great, great source and breadbasket and the like, until lately, and could find a very good accommodation.

Today we have gone a long way in starting a trend that will be in the future damaging to American leadership. I do not say it is too late to retrieve it because I think the United States still has the inherent power. All it has to do is develop what I have called the moral leadership, not supplying soldiers they do not want or need, not supplying tanks, not supplying rifles and munitions, but supplying actual help in the way that will be in harmony with our own national interests. Ultimately we will not be able to succeed through occupation or armed force. As I have said repeatedly, we are not going to be able to shoot ourselves into the hearts of the Latin American people. You do not win hearts by shooting them.

You win hearts by actions that are creative and constructive.

What I see now is a good thing if indeed it is genuine, if it is sincere, and I hope and I pray that the President is, and I have enough confidence and faith even though my criticism has been very hard and some consider harsh, it has been only because it was with a vain hope that somehow it would stimulate some change of course. I hope this indeed is happening. I want to be the first to congratulate the President and to add my voice of support if indeed this is the avenue he will seek, certainly as a Member of

Congress, maybe an inconsequential Member, but I would willingly lend my voice and my vote in support of a creative and constructive approach.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. COMBEST) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 60 minutes, today.

Mrs. BENTLEY, for 60 minutes, on October 13 and 15.

(The following Members (at the request of Mr. GRAY of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. MCHUGH, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes, on October 8 and 9.

Mr. DINGELL, for 60 minutes, on October 15.

Mr. MORRISON of Connecticut, for 60 minutes, on October 14.

Mr. JACOBS, for 60 minutes, on October 21.

Mr. GLICKMAN, for 60 minutes, on October 15.

Mr. CONYERS, for 60 minutes, on October 8.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PETRI, prior to the Snowe amendment to H.R. 2987 in the Committee of the Whole today.

(The following Members (at the request of Mr. COMBEST) and to include extraneous matter:)

Mr. BROOMFIELD.
Mr. DANNEMEYER.
Mr. LEWIS of California.
Mr. DIOGUARDI.
Mr. LAGOMARSINO.
Mr. KEMP.
Mr. SENSENBRENNER.
Mr. DAUB in two instances.
Mr. PARRIS.
Mr. BADHAM.
Mr. GILMAN.
Mr. HANSEN.

(The following Members (at the request of Mr. GRAY of Illinois) and to include extraneous matter:)

Mr. STARK in two instances.
Mr. LIPINSKI.
Mr. MILLER of California.
Mr. SMITH of Florida.
Mr. LEHMAN of Florida.
Mr. MAZZOLI.
Mr. COLEMAN of Texas.
Mr. TALLON.
Mr. LANTOS in three instances.
Mr. HAWKINS in three instances.
Mrs. KENNELLY.
Mr. PEPPER.

BILLS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.R. 242. An act to provide for the conveyance of certain public lands in Oconto and Marinette Counties, WI;

H.R. 797. An act to authorize the donation of certain non-Federal lands to Gettysburg National Counties, WI;

H.R. 1205. An act to direct the Secretary of Agriculture to release a reversionary interest of the United States in certain land located in Putnam County, FL, and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such land to the State of Florida;

H.R. 2035. An act to amend the act establishing Lowell National Historical Park, and for other purposes; and

H.R. 2249. An act to change the title of employees designated by the Librarian of Congress for police duty and to make the rank structure and pay for such employees the same as the rank structure and pay for the Capitol Police.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 37 minutes p.m.), the House adjourned until tomorrow, Thursday, October 8, 1987, at 10 a.m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Omitted from the Record of Oct. 6, 1987]

Mr. FROST: Committee on Rules. House Resolution 280. Resolution providing for the consideration of H.R. 162, a bill to establish a system for identifying, notifying, and preventing illness and death among workers who are at increased or high risk of occupational disease, and for other purposes (Rept. 100-356). Referred to the House Calendar.

[Submitted Oct. 7, 1987]

Mr. DINGELL: Committee on Energy and Commerce. H.R. 3025. A bill to grant the consent of the Congress to the Appalachian States Low-Level Radioactive Waste Compact (Rept. 100-322, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on gouging the rural ratepayer: Interest rate policies of the rural telephone bank (Rept. 100-357). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X the following action was taken by the Speaker:

The Committee on the Judiciary discharged from further consideration of H.R. 285; H.R. 285 referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MOAKLEY (for himself, Mr. WAXMAN, Mr. WHITTAKER, Mr. BIAGGI, Mrs. BOXER, and Mr. CONYERS):

H.R. 3440. A bill to direct the Secretary of Health and Human Services to promulgate fire safety standards for cigarettes and for other purposes; to the Committee on Energy and Commerce.

By Mr. STARK (for himself and Mr. GRADISON):

H.R. 3441. A bill to amend the Internal Revenue Code of 1986 with respect to the taxation of life insurance contracts and annuity contracts; to the Committee on Ways and Means.

By Mr. COLEMAN of Missouri:

H.R. 3442. A bill to require reports relating to certain contributions received for the purpose of supporting or defeating the confirmation of a Supreme Court nominee by the Senate; to the Committee on the Judiciary.

By Mr. DANNEMEYER (for himself, Mr. BLILEY, Mr. RITTER, and Mr. NIELSON of Utah):

H.R. 3443. A bill to establish an Administrator for Consumer Product Safety within the Department of Health and Human Services and to transfer the functions of the Consumer Product Safety Commission to the Secretary of Health and Human Services and for other purposes; to the Committee on Energy and Commerce.

By Mr. DONNELLY (for himself, Mr. CONTE, and Mr. KENNEDY):

H.R. 3444. A bill to amend the Internal Revenue Code of 1986 to allow taxpayers a nonrefundable credit of not more than 15 percent of interest paid on indebtedness incurred to finance qualified educational expenses; to the Committee on Ways and Means.

By Mr. DOWDY of Mississippi (for himself, Mr. SWIFT, and Mr. BRYANT):

H.R. 3445. A bill to regulate interstate natural gas pipelines providing transportation service which bypasses local distribution companies and to encourage open access transportation by local distribution companies at cost-based rates; to the Committee on Energy and Commerce.

By Mr. JOHNSON of South Dakota:

H.R. 3446. A bill to amend section 105(c) of the Agricultural Act of 1949; to the Committee on Agriculture.

By Ms. KAPTUR:

H.R. 3447. A bill to suspend for a 2-year period the duty on positive displacement reciprocating machines, parts for machines of that kind, and other related articles; to the Committee on Ways and Means.

By Mrs. KENNELLY (for herself, Mr. PICKLE, Mr. DOWNEY of New York, and Mr. MATSUI):

H.R. 3448. A bill to provide for a White House Conference on the International Trade in Services; to the Committee on Ways and Means.

By Mr. MONTGOMERY (for himself, Mr. HAMMERSCHMIDT, Mr. SOLOMON, Mr. MICA, Mr. STUMP, Mr. PENNY, Mr. MCEWEN, Mr. STAGGERS, Mr. SMITH of New Jersey, Mr. ROWLAND of Georgia, Mr. BILIRAKIS, Mr. BRYANT, Mr. RIDGE, Mr. GRAY of Illinois, Mr. ROWLAND of Connecticut, Mr. KANJORSKI, Mr. ROBINSON, Mr. STENHOLM, Mr. HARRIS, Mr. KENNEDY, and Mrs. PATTERSON):

H.R. 3449. A bill to amend title 38, United States Code, to improve health care programs of the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. PEPPER:

H.R. 3450. A bill to amend the Federal Election Campaign Act of 1971 to require candidates for Federal office to be clearly identified in their radio and television advertisements, in accordance with regulations prescribed by the Federal Election Commission; to the Committee on House Administration.

By Mr. PEPPER (for himself, Mr. OWENS of Utah, and Mr. CONTE):

H.R. 3451. A bill to amend title XVIII of the Social Security Act to require certain procedures to be followed by fiscal intermediaries in denying certain claims for home health services, to provide for notification of beneficiary rights with respect to home health services, posthospital extended care services, and extended care services furnished under such title, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. WISE:

H.R. 3452. A bill to establish the Stonewall Jackson Lake National Recreation Area in the State of West Virginia and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WYDEN (for himself, Mr. SAWYER, and Mr. KOLBE):

H.R. 3453. A bill to amend section 17 of the Child Nutrition Act of 1966 to permit a State agency to use 25 percent of the savings achieved through the purchase of supplemental foods at reduced prices for the costs of nutrition services and administration associated with increases in the number of persons served; to the Committee on Education and Labor.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 42: Mr. STUMP, Mr. WALKER, Mr. FRANK, Mr. LAGOMARSINO, Mr. BADHAM, Mr. DONALD E. LUKENS, Mr. BILIRAKIS, Mr. SAXTON, Mr. PORTER, Mr. DEFAZIO, Mr. OXLEY, Mrs. COLLINS, Mr. FROST, and Mr. ROE.

H.R. 190: Mrs. COLLINS.

H.R. 468: Mr. MCEWEN.

H.R. 578: Mr. SCHUETTE and Mr. MCCLOSKEY.

H.R. 613: Mr. TAUKE, Mr. ALEXANDER, Mr. SKELTON, Mr. EDWARDS of Oklahoma, Mr. LEACH of Iowa, Mr. VOLKMER, Mr. WYLIE, Mr. BOLAND, Mr. INHOFE, and Mr. RUSSO.

H.R. 622: Mr. ROBINSON.

H.R. 755: Mr. MCDADE, Mr. STOKES, Mr. FAZIO, Ms. KAPTUR, and Mrs. BENTLEY.

H.R. 758: Mr. HEFLEY.

H.R. 778: Mrs. BENTLEY and Mr. DE LUGO.

H.R. 898: Mr. OWENS of New York.

H.R. 938: Mr. SMITH of New Hampshire.

H.R. 1313: Ms. OAKAR, Mr. IRELAND, Mr. CARR, Mr. HOWARD, Mr. KASTENMEIER, Mr. VANDER JAGT, Mr. CLARKE, Mr. ROGERS, and Mr. BILIRAKIS.

H.R. 1395: Mr. RIDGE and Mr. COURTER.

H.R. 1560: Mrs. BOXER.

H.R. 1654: Mrs. KENNELLY and Mr. ANDREWS.

H.R. 1681: Mr. LIVINGSTON.

H.R. 1710: Mr. MATSUI.

H.R. 1713: Mrs. BENTLEY.

H.R. 1721: Mr. PICKETT, Mr. SAXTON, and Mr. LAGOMARSINO.

H.R. 1774: Mrs. BENTLEY.

H.R. 1782: Mr. LEATH of Texas, Mr. WISE, Mr. SCHAEFER, and Mr. OLIN.

H.R. 1879: Mr. ENGLISH, Mr. JONTZ, and Mr. CROCKETT.

H.R. 1891: Mr. BRYANT.

H.R. 2134: Mr. KENNEDY, Mr. STUDDS, Mr. SOLOMON, and Mr. MINETA.

H.R. 2181: Mr. PURSELL, Mr. STRATTON, and Mr. CRANE.

H.R. 2248: Mr. CHAPMAN.

H.R. 2328: Mr. SCHUETTE.

H.R. 2433: Mr. WALGREN.

H.R. 2482: Mr. DEWINE.

H.R. 2509: Mr. MRAZEK, Mr. FOGLIETTA, Mr. GARCIA, and Mr. BLILEY.

H.R. 2587: Mr. BUECHNER and Mr. JOHNSON of South Dakota.

H.R. 2624: Mr. FOGLIETTA and Mr. BRYANT.

H.R. 2640: Ms. SNOWE, Mrs. BYRON, Mr. PURSELL, Mr. CRANE, Mr. MCCLOSKEY, Mr. BORSKI, Mr. MOAKLEY, Mr. LATTA, Mr. LUJAN, Mr. SCHUMER, Mr. SMITH of New Hampshire, Mrs. BOXER, Mr. ANDREWS, and Mr. GORDON.

H.R. 2641: Mr. SAWYER.

H.R. 2719: Mr. MCCLOSKEY.

H.R. 2725: Mrs. BENTLEY, Mr. BUECHNER, Mr. MARTINEZ, Mr. GILMAN, Mr. KOLBE, and Mr. WOLPE.

H.R. 2753: Mr. BORSKI.

H.R. 2793: Mr. SCHUETTE and Mr. DUNCAN.

H.R. 2879: Mr. LEWIS of Georgia, Mr. CHAPMAN, and Mrs. COLLINS.

H.R. 2977: Mr. TRAXLER, Mr. BUNNING, Mr. THOMAS of Georgia, Mrs. MEYERS of Kansas, Mr. HOLLOWAY, Mr. ROBINSON, Mr. HOWARD, Mr. ROBERT F. SMITH, Mr. STUMP, Mr. GRANT, Mr. WOLPE, Mr. YOUNG of Florida, Mr. BOULTER, Mr. LANCASTER, Mr. WYDEN, Mr. BILIRAKIS, Mr. CRAIG, Mr. EMERSON, Mr. HANSEN, Mr. RIDGE, Mr. MOLLOHAN, Mr. FIELDS, Mr. RAY, Mr. WILSON, Mr. SLATTERY, Mr. HOPKINS, Mr. SCHAEFER, Mr. PASHAYAN, Mr. HATCHER, Mr. DREIER of California, Mr. PACKARD, Mr. BENNETT, Mr. SCHUETTE, Mr. WORTLEY, Mr. RICHARDSON, Mr. PERKINS, Mr. MILLER of Ohio, Mr. DICKINSON, Mr. RITTER, Mr. ROWLAND of Georgia, Mr. CHENEY, and Mr. PICKLE.

H.R. 2997: Mr. FOGLIETTA, Mr. SCHUETTE, Mr. HOWARD, Mr. BUECHNER, Mr. PACKARD, Mr. FEIGHAN, and Mrs. COLLINS.

H.R. 2998: Mr. FOGLIETTA, Mr. HOWARD, Mr. SCHUETTE, Mr. BUECHNER, Mr. PACKARD, Mr. FEIGHAN, and Mrs. COLLINS.

H.R. 3005: Mrs. COLLINS.

H.R. 3067: Mrs. BENTLEY.

H.R. 3074: Mr. BRYANT.

H.R. 3144: Mr. LIVINGSTON, Mr. HUTTO, and Mr. TAUZIN.

H.R. 3160: Mr. FORD of Tennessee and Mr. RAHALL.

H.R. 3187: Mr. HALL of Texas and Mr. COLEMAN of Texas.

H.R. 3202: Mr. BENNETT, Mr. PACKARD, Mr. MILLER of Washington, Mr. SMITH of Florida, Mr. MACKAY, Mr. LEHMAN of Florida, Mr. GRANT, and Mr. NELSON of Florida.

H.R. 3214: Mr. BONIOR of Michigan, Mr. FEIGHAN, and Mr. DORNAN of California.

H.R. 3250: Mrs. BOXER, Mr. DEWINE, Mr. QUILLEN, Mrs. KENNELLY, Mr. PRICE of North Carolina, and Mr. LEHMAN of Florida.

H.R. 3312: Mr. FORD of Tennessee.

H.R. 3317: Mr. CROCKETT, Mr. TOWNS, Mr. OWENS of New York, Mr. DOWNEY of New York, Mr. STUDDS, Mr. KASTENMEIER, Mr. BERMAN, Mr. FLAKE, Mr. FORD of Michigan, Mrs. COLLINS, Mr. FROST, Mr. GONZALEZ, Mr. FAUNTROY, and Ms. PELOSI.

H.R. 3322: Mr. RUSSO, Mr. RICHARDSON, Mrs. BOGGS, Mr. PANETTA, Mr. JONTZ, and Mr. BILIRAKIS.

H.R. 3334: Mr. CONYERS, Mr. BEVILL, Mr. TRAFICANT, Mrs. COLLINS, and Mr. DORNAN of California.

H.R. 3338: Ms. SLAUGHTER of New York, Mr. HAMMERSCHMIDT, Mr. LENT, Mr. MILLER of Ohio, Mr. MCCLOSKEY, Mr. OWENS of Utah, Mr. CHAPPELL, Mr. ROE, Mr. LAFALCE, Mrs. MARTIN of Illinois, Mr. BOLAND, Mr. TRAXLER, Miss SCHNEIDER, Mr. DORGAN of North Dakota, Mr. NIELSON of Utah, Mr. BERMAN, Mr. HOLLOWAY, Mr. ECKART, Mr. UPTON, Mr. WORTLEY, Mr. BIAGGI, Mr. CAMPBELL, Mr. DENNY SMITH, Mr. LEHMAN of Florida, Mr. PRICE of Illinois, Mr. TRAFICANT, Mr. WALKER, Mr. MCCURDY, Mr. WHITTEN, Mr. FOGLIETTA, and Mr. NOWAK.

H.R. 3351: Mr. APPLEGATE and Mr. WORTLEY.

H.R. 3390: Mr. GRAY of Illinois, Mr. CONYERS, and Mr. LAGOMARSINO.

H.R. 3403: Mr. ANDREWS, Mr. GALLO, Mr. BUECHNER, and Mr. FAZIO.

H.J. Res. 48: Ms. SNOWE, Mr. HALL of Texas, Mr. DONNELLY, Mr. MILLER of Ohio, Mr. HANSEN, and Mr. SCHULZE.

H.J. Res. 55: Mr. MOODY, Mr. THOMAS of Georgia, Mr. CONTE, Mr. GONZALEZ, Mr. WOLF, Mr. FLORIO, Mr. WYLIE, Mr. MINETA, Mr. QUILLEN, Mr. SPENCE, Mr. SCHEUER, Mr. NEAL, Mr. MRAZEK, Mr. VALENTINE, Mrs. PATTERSON, Mr. FROST, and Mr. FRANK.

H.J. Res. 112: Ms. PELOSI, Mr. PANETTA, Mr. MCHUGH, Mr. WEISS, and Mr. HYDE.

H.J. Res. 274: Mr. AKAKA, Mr. BONKER, Mr. COATS, Mr. DELLUMS, Mr. HALL of Ohio, Mr. GUARINI, Ms. KAPTUR, Mr. DONALD E. LUKENS, Mr. MORRISON of Washington, Mr. PEPPER, Mr. PORTER, Mr. ROWLAND of Connecticut, Mr. SCHEUER, Mr. SPRATT, Mr. KASICH, Mr. MOLLOHAN, Mr. YOUNG of Alaska, Mr. MAVROULES, and Mr. PACKARD.

H.J. Res. 321: Mr. ANDREWS.

H.J. Res. 328: Mr. WYDEN, Mr. BRENNAN, and Ms. PELOSI.

H.J. Res. 336: Mr. SKEEN, Mr. STARK, Mr. PANETTA, Mr. HANSEN, Mr. NAGLE, Mr. SCHUMER, Mr. WHITTAKER, and Mr. BRENNAN.

H. Con. Res. 28: Mr. KILDEE, Mr. MCDADE, Mr. MOODY, Mr. DEWINE, Mr. DORNAN of California, Mr. HUTTO, and Mr. HOCHBRUECKNER.

H. Con. Res. 97: Mr. CALLAHAN.

H. Con. Res. 193: Mr. ROBINSON, Mr. BAKER, Mr. COURTER, and Mr. SUNIA.

H. Res. 210: Mr. ARMEY, Mr. TAUKE, and Mr. MACK.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3100

By Mr. DORNAN of California:

—Page 115, after line 8, insert the following:

(c) COBRA HELICOPTERS.—The President shall, using funds authorized to be appropriated to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to the grant military assistance program), furnish 5 AH-1 Cobra helicopters in a downgraded G-configuration to El Salvador during each of the fiscal years 1988 and 1989.